APRIL 25, 1988

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FORTUNE

THE FORTUNE 500

THE LARGEST U.S. INDUSTRIAL CORPORATIONS

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APRIL 25, 1988

FORTUNE

"I can't figure out how to have children. A grandma or my employees would have to bring up the babies." PAGE 66

"I'd rather have it etched on my tombstone that I contributed to shareholder value." PAGE 83

"It used to be you'd walk into a house, go sniff-sniff, and *know* they have a cat." PAGE 107

"Show me a businessman who becomes emotionally involved and I'll show you an unsuccessful deal." PAGE 164

MANAGING

Big Can Still Be Beautiful 50

Critics say large corporations have become too ponderous. That's partly true—but don't say goodbye just yet. *by Walter Guzzardi*

The New Independents 66

Some of the brightest potential leaders of big companies have opted out. *by Gwen Kinkead*

FORTUNE CEO POLL

And You Thought You Had It Tough 83

The men who run giant corporations say the job is getting harder. *by Carrie Gottlieb*

MONEY & MARKETS

Has the Debt Binge Gone Too Far? 87

Not yet, says the latest wisdom on the subject. But it's time for most companies to rein in the impulse to borrow. *by Kate Ballen*

CORPORATE PERFORMANCE

What a Difference Owner-Bosses Make 97

Many of the fast-growing companies on the fringe of this year's FORTUNE 500 are likely to make the list in 1989. *by Peter Nulty*

Companies to Watch 104

SELLING

Filler's the Name, Odor's the Game 107

Cat litter has done for the cat what air conditioning did for Houston. *by Penny Ward Moser*

THE ECONOMY

The Fed Heads Into No Man's Land 121

The Federal Reserve Board has less maneuvering room now that the U.S. has become a debtor country. *by Robert E. Norton*

Business News: The Terrible Truth 145

The daily press plays up every jiggle in the economy, but the numbers often turn out to be shaky. *by John F. Lawrence*

Fortune Forecast: Less Help From the Grass Roots 153

State and local budget surpluses are turning into deficits. *by Vivian Brownstein*

PROFILE

The Pritzkers—Unveiling a Private Family 164

These billionaires actually like each other. But as Pritzkers proliferate, can they keep everyone happy? *by Ford S. Worthy*

TECHNOLOGY

New Profits From Patents 185

A legal revolution is helping companies protect ideas and wrest fatter license fees from rivals. *by Norm Alster*

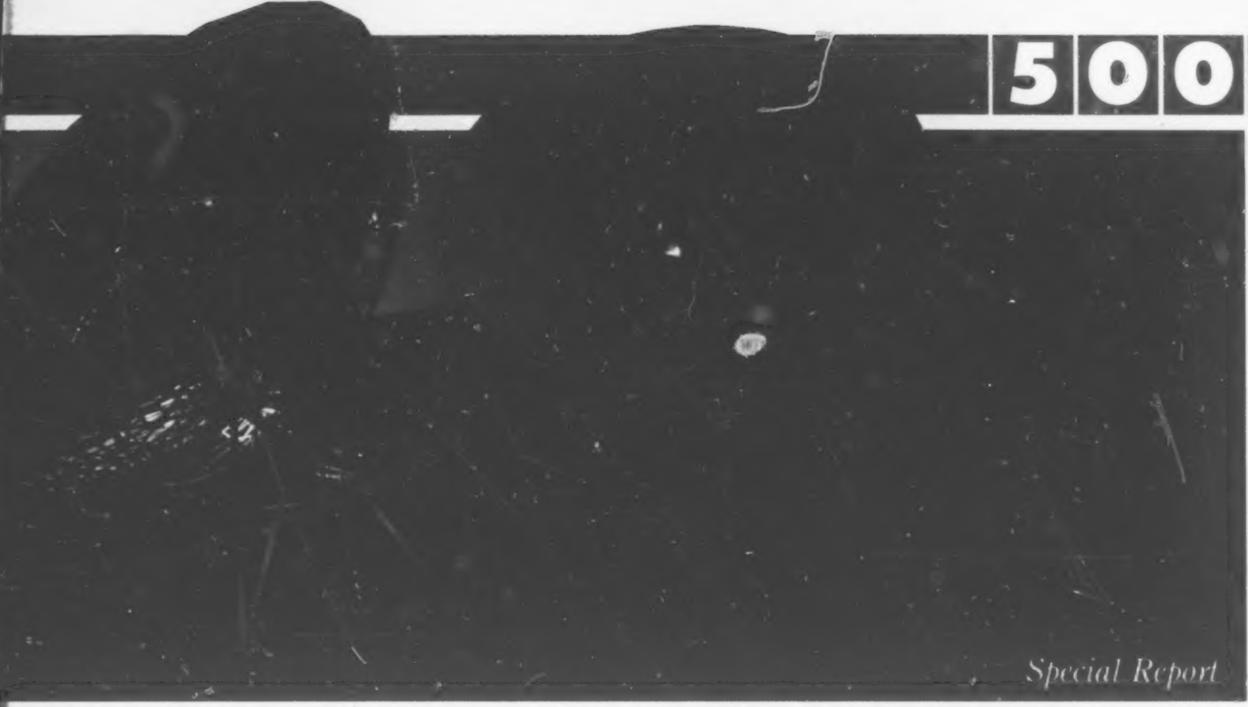
CRIME

Beating Bolder Corporate Crooks 193

Dishonest employees are grabbing new opportunities to rob your company. Stopping them is harder than ever. *by Brian Dumaine*

The cover: The photo of this year's FORTUNE 500 flag-

VOL. 117, NO. 9



Special Report

COMPETITION

How Banking Will Shake Out 207

So-called superregionals have high stock prices, few problem loans, and great growth prospects. What's more, they threaten to take over bigger institutions. *by Gary Hector*

EXECUTIVE LIFE

The Young Exec as Superdad 233

The modern male manager has it all on track. His career is speeding forward and so is his wife's. Then baby makes three and overloads the system. *by Colin Leinster*

Japan's Uneasy U.S. Managers 245

They love America's cheap food, big houses, and great golf. But shadows follow them. They have to learn strange ways—and pay a stiff price when they go home. *by Brian O'Reilly*

POLITICS & POLICY

Redrawing the Line on Defense 267

Are U.S. forces stretched too thin in trying to protect so much of the world? Probably not, but it is time for America's allies to pick up more of the burden. *by Lee Smith*

PORTFOLIO

Bizarre Booty From Bank Bailouts 288

by Louis S. Richman

FORTUNE BOOK EXCERPT

Memoirs of an ICBM Pioneer 298

Simon Ramo broke with Howard Hughes, then built TRW, the company that developed U.S. intercontinental ballistic missiles.

SPECIAL REPORT/THE FORTUNE 500

Story and indexes start on page 357

- **THE GOOD TIMES FINALLY ROLL** D1
- **THE FORTUNE 500 LARGEST INDUSTRIALS** D11
- **DEFINITIONS, EXPLANATIONS, AND NOTES** D33
- **ARRIVALS, DEPARTURES, AND MONEY LOSERS** D34
- **THE 500 RANKED WITHIN INDUSTRIES** D37
- **INDUSTRY MEDIANS** D57
- **INDUSTRY TOTALS** D58
- **ALPHABETICAL INDEX** D59

The Editor's Desk 4
News/Trends 10
Letters to Fortune 33
Keeping Up *by Daniel Seligman* 321
Fortune People *by Nancy J. Perry* 327
On the Rise 328
Personal Investing *by Andrew Evan Serwer* 331
Books & Ideas *by Pat Choate* 341
Other Voices *by B. Bruce-Briggs* 349

"You enjoy the money for a while, but you lose your pride and your self-respect."
PAGE 193

"America is a yes/no society. Japanese should learn to speak clearly so Americans will understand them." PAGE 245

"Before this meeting is over, General, there's going to be one more colonel in the Air Force!"
PAGE 298

"I don't think anyone would describe me as a cream puff." PAGE 327

wavers was taken by Neil Selkirk.

THE EDITOR'S DESK

JOHN ABBOTT

The 500 team: (from left) Alpert, Benjamin, Kiechel, Kirsch

CHRISTMAS comes early at FORTUNE—in April. The gift package you hold in your hands is an especially rich issue that we hope you will use and enjoy both immediately and all year long. In a large selection of stories, you'll find answers to some tantalizing questions: Is the big industrial corporation washed up? Is business tumbling too deeply into debt? Do today's CEOs think they are working harder than their predecessors? How are dual-career couples coping with the pressures of executive life?

And I haven't even mentioned the FORTUNE 500. The 34th annual edition of our much-imitated directory of the largest U.S. industrial corporations begins in the special section on page 357. For months, executive editor Allan Demaree has been pondering ways to make the list even more informative, while designer Jean Held has highlighted the most significant corporate performances—which companies did best and worst—and made the tables more attractive and readable. We've added yet more data—we now give you some 20,000 pieces of information. One new datum: last year's change in the number of employees at each company—a telling figure in this age of restructuring.

This being also the age of computers, you might think that all we need do is press a few buttons on a PC and out pops the directory. Alas, life is not so simple. Behind the 500 are months of work by dozens of our colleagues, headed by chief of reporters Evelyn Benjamin. She is so enthusiastic that she says, "The FORTUNE 500 issue is as hot as *Sports Illustrated*'s bathing suit issue." Well, maybe, but in case you also want the latest on what's "in" in swim, see News/Trends. (You won't believe it.)

Benjamin and her crew started working on the 500 back in November, when reporters Claudine Knight and Kathleen C. Smyth began getting information on stock splits and dividends. In January reporters Sandra Kirsch and Mark Alpert started collecting the names of some 1,000 candidates for the list, using sales and earnings reports, news stories, and several other sources. We then sent to likely prospects a 19-item questionnaire on such data as sales, profits, and assets.

JOHN ABBOTT
MICHAEL SALAS
GWENDOLEN CATES

Reporting behind the scenes: Guzzardi, O'Reilly, Worthy

Soon after, a dozen staffers got on the phones, both to cajole data from late-reporting companies and to double-check what was already submitted. Since the daylight hours were used to call the companies, our team had to work well past many midnights to check the numbers and feed them into computers. Consultant Mel Pera organized our first trial computer run on Saint Patrick's Day. As the press deadline approached in early April, 13 reporters were checking and proofreading the numbers. Finally, our editorial technology chief, J. Randall Sizemore, supervised the complex typesetting of the lists.

Going beyond and behind the numbers, several stories in this issue examine the state and future of large corporations in the U.S. Walter Kiechel, who as issue editor planned and supervised many of the articles, put the key question: "After so much restructuring, where are they? Is all the action in the smaller companies?" In the story that begins on page 50, writer Walter Guzzardi provides a somewhat surprising answer: Although the 500 companies' share of the gross national product has been declining, their share of corporate profits has been surging—"and they demonstrate the validity of the old maxim that it's a great advantage to be big."

Few think small is beautiful when it comes to personal wealth, a subject we address in a rare and revealing portrait of Chicago's creative but secretive Pritzker family. Though press-shy, six members of the family ultimately agreed to be interviewed by writer Ford S. Worthy. Another behind-the-curtains story I recommend to you is writer Brian O'Reilly's article on Japanese managers stationed in the U.S. Having visited 29 of them around the country, he finds them strangely torn between cultures—more critical of their own country, and more complimentary of America, than you might think.

This is the kind of reporting, we believe, that makes FORTUNE special. With that in mind, I'm happy to tell you that FORTUNE has been selected as a finalist in two categories for the National Magazine Awards, the Pulitzer Prizes for magazines. In the Public Interest category, the judges have named Ford Worthy's cover story "The Coming Defaults in Junk Bonds" (March 16, 1987). And the judges have selected FORTUNE as one of five finalists for general excellence in magazines with a circulation of 400,000 to one million. The awards will be announced late this month, and win or not, we're honored to be in the finals.

Marshall Loeb
MANAGING EDITOR

FORTUNE (ISSN 0015-8259) Published biweekly, with three issues in October, by Time Inc. Time Inc. principal office: Time & Life Building, Rockefeller Center, New York, NY 10020-1393. N. J. Nicholas Jr., President; Kevin D. Senie, Treasurer; William M. Guttman, Secretary. Subscriptions U.S. possessions one year (27 issues) $47.97. Canada one year (27 issues) $64.53. Second-class postage paid at New York, NY, and at additional mailing offices. Authorized as second-class mail by the Post Office Dept., Ottawa, Canada, and for payment of postage in cash. Member, Audit Bureau of Circulations. POSTMASTER: Send address changes to FORTUNE, P.O. Box 30604, Tampa, FL 33630-0604.
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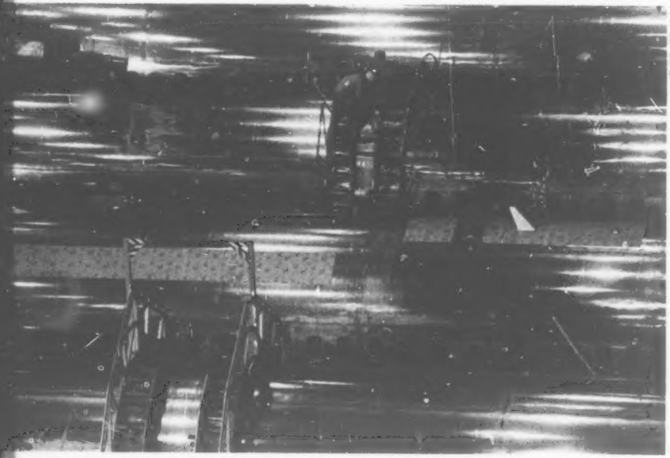
BIG CAN STILL BE BEAUTIFUL

You'd think the large corporation was doomed. It's moving too slowly, goes the refrain, destroying jobs, losing clout. Partly true—but don't say goodbye just yet. ■ *by Walter Guzzardi*

THE BIG AMERICAN corporation is in wrenching transformation, affected by elemental forces rushing upon it from a powerful array—global competition, technological change, highly mobile financing, daring entrepreneurs, ambitious shareholders, and, not least, the corporation's own history. These forces are as inexorable as the movement of continents, but far more swift: Such quick tests, such speedy punishments for failure, and such rapid rewards for success are without parallel in any other era.



Massive size *helps keep Boeing No. 1 in jets.*

As restructuring, the primary instrument of all this change, has gained momentum, attention has focused on its more sensational features: the sudden wealth of the raiders, the debt-heavy buyouts, the bust-ups, and the disappearance from the FORTUNE 500 of famous old names, such as International Harvester and American Can, gone forever or unrecognizable. These dramatic changes in configuration have encouraged the belief that the big corporation is an endangered species (the cliché about dinosaurs usually enters at this point) and must shrink or die.

That analysis fails to acknowledge the performance of big, established companies that have used restructuring to augment their strengths and skills and that, far from shrinking, have expanded the range and variety of their activities. Such companies possess "size, scope, and management," the three qualities that Alfred Chandler Jr., the noted business historian at the Harvard business school, asserts were essential to the triumph of American industry in the past. They remain essential to corporate success today. Peace be on you, O ye dinosaurs: These companies continue to build size on size and diversity on diversity—and they demonstrate the validity of the old maxim that being big is an enormous advantage. Their recent records have contributed substantially to the improved performance of the 500, which by many measures are on a roll (see the introduction to the 500, page D1).

Despite all that good news, no golden age lies ahead. The role of the big industrial company in American society may be shrinking: The 500's sales as a percentage of the gross national product have been in descent since 1980, dropping last year to 42%. Employment has dropped similarly: Last year the 500 employed 11% of the civilian work force, less than in 1954, the first year of the FORTUNE 500. Restructuring, in so many places a source of rejuvenation, has paradoxically contributed to those declines. But paradox may don cap and bells: The lessening influence of the 500 in American economic life may not bode ill for corporate giants.

When it comes to profits relative to the rest of the corporate world, the 500 have rarely if ever done better, in part because of restructuring. After-tax profits of the 500 in 1954 amounted to 39% of after-tax profits for all U.S. companies. That share grew over two decades, reaching 50% in 1973. Then the 500 began to lose ground, slipping to 41% in 1977, one of the poorest relative performances since the list began. The turnaround was more swift than the slow decline: The 500 took in 59% of all after-tax corporate profits in 1984, and last year their share leaped to 66%—two-thirds of the profits of the whole American corporate universe.

Credited with aiding and abetting is a group of select big companies in markedly different industries, but all distinguished by managerial talent and remarkable recent growth in profits. Gulf & Western and Borden are reformed conglomerates; Heinz is diverse with strong market positions; Boeing and GE are sui generis but stand as exemplars of how huge size, fine reputation, and long corporate experience, even in the age of restructuring, contribute to high profits. Collectively, these companies show that Chandler's size, scope, and management remain the most potent factors in the performance of big companies.

Consolidation and diversification have proceeded concurrently with substantial success at Borden. The company was once what Chief Executive Romeo Ventres calls a "smorgasbord of companies—we had women's clothing, fertilizer, a phosphate rock mine, perfume, a fast-food chain . . ." All that has been peeled off and the company's traditional strength in food reasserted. Part of that strength is a recently achieved championship position in pasta—a business in which

Care to compete *against GE in the fluorescent light business? This facility in Bucyrus, Ohio, produces 7,000 lamps an hour.*

REPORTER ASSOCIATE *Patricia A. Langan*

some advantages of size had been overlooked. Ventres came from Borden's chemical division and points out: "In chemicals you make all your money by being very, very cost oriented—that's all you've got to compete with—and volume is what holds costs down. In food you aren't oriented that way." It turns out that you should be.

STARTING FROM SCRATCH nine years ago, Borden has created a pasta operation that keeps 14 U.S. plants running 24 hours a day, seven days a week. The company buys 800 million pounds of durum wheat a year, more than any other buyer in the country—with resultant leverage on price. Huge volume lets Borden save time and money by eliminating the need to shut down production lines to convert to turning out specialty pasta shapes. Instead, three or four plants produce these odd shapes and sizes full time.

Lower costs translate into snowballing market share, which has grown from 6% in 1980 to 31% last year. Borden produces 17 regional brands (such as Prince and Gioia), as well as a national one (Creamette). Catering to regional tastes while enjoying national economies of scale, says Ventres, "gives us the best of both worlds." Borden remains a multiple-business company: Chemicals, dairy products, and snacks are among the strategic areas designated for growth. And despite all the divestitures, the company is bigger than ever. Sales of $6.5 billion last year represent an increase of 30% over 1986, and net income per share was up 21%, to a new high of $3.62.

Another food company, H.J. Heinz, has achieved leadership in vast numbers of products over the years; 54% of the company's sales come from brands with a No. 1 position in world markets. Heinz uses that advantage to augment its commanding position. Heinz ketchup, which Chief Executive Anthony J.F. O'Reilly calls the "flagship product," has 50% of the market, but Heinz has never ceased to diligently apply its research abilities and longstanding connections with growers to increase that share. "It is a mortal sin punishable by instant death at Heinz to say a market is mature," remarks O'Reilly, "and it is also a sin, exculpated only by the chief executive officer, to change the label, change the bottle, or change the recipe for Heinz ketchup." But the company has in fact changed the recipe, after what O'Reilly calls

EDIBLE
EDIBLE
EDIBLE
EDIBLE
EDIBLE

LOUIS PSIHOYOS

Pasta champ *Borden has a lot of bargaining power as America's largest buyer of durum wheat. Annual purchases: 800 million pounds.*

an "enormous amount of basic research, market testing, and R&D," switching from sugar to high-fructose corn syrup.

Heinz further sustains its position in ketchup by spending heavily on marketing. As O'Reilly explains, "This is a virtuous cycle of success, where greater marketing expenditures result in additional growth and future margin expansion, which in turn permit increased marketing expenditures." Heinz has successfully applied the same strategy to Weight Watchers foods and Star-Kist tuna and is trying it now on pet foods.

ANDY FREEBERG

With 50% *of the ketchup market, Heinz pushes for more.*

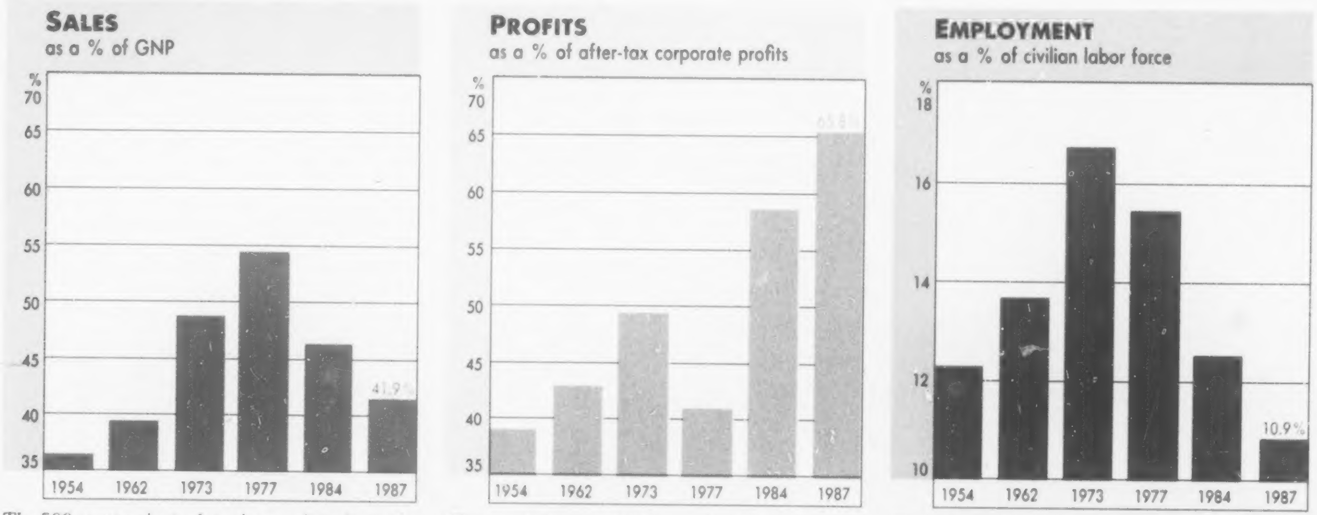
General Electric (No. 6 on this year's list, with $39.3 billion in sales) persuasively demonstrates the power of size in all facets of its business. To choose one example, by vast investment and patient support over lean years the company has become the world's foremost seller of jet engines, displacing Pratt & Whitney a couple of years ago. GE's engine sales reached $6.8 billion last year—enough to rank the engine division alone No. 62 on the industrial list. That achievement made possible a quite different one in a distant arena. In a major transaction, GE last year sold its consumer electronics business to Thomson SA of France and acquired Thomson's medical diagnostic imaging business—a move that required French government approval. Frank Doyle, a senior vice president of GE, is convinced that the deal could never have taken place "if GE had not for almost 20 years been a good corporate citizen" in France—as a producer, with a French company, of jet engines.

GE's restructuring under Chief Executive Jack Welch has taken the company into other new pastures, the acquisition of RCA a couple of years ago being the outstanding example. Restructuring has neither narrowed GE's enormous scope nor slimmed its huge earnings and revenues: Both reached all-time highs last year.

Those who argue that big corporations are fading away have to confront the performance of Boeing, the No. 1 commercial-jet aircraft builder in the world and a fine example of the concentrated, single-purpose corporation that, drawing on its past, seems equipped to endure for eternity. Each new model of aircraft demands enormous startup costs. But using a strategy that eluded onetime commercial-jet maker Lockheed, Boeing designed each model so it could spawn new versions almost endlessly, eliminating the need to go back to square one. For example, the 747 has been through 13 different versions, each needing heavy investment in research and development but none nearly as expensive as it would have been had Boeing designed an entirely new aircraft. When Qantas, Singapore Airlines, and others wanted a jet that could burn less fuel than the old 747, fly over 8,000 miles without refueling, and be handled by two crew members rather than three, Boeing met the specifications by revising rather than remaking. Result: the new 747-400. One study indicates that the break-even point in commercial aircraft manufacture comes after 500 planes, sold over ten years of production. Producing the 747, Boeing deals with 1,500 subcontractors and keeps track of 4.5 million parts. It's hard to see, in that business, how small can be beautiful.

Perhaps the classic example of the conglomerate that has made a successful transition to the new age is Gulf & Western. In

The Shifting Clout of the FORTUNE 500



The 500 companies took an increasing share of gross national product for over 20 years. Now the pattern seems to be reversing.

The group's share of U.S. companies' profits—the nation's bottom line—jumped last year. Restructuring explains a lot of that gain.

The 500 employ a smaller percentage of the labor force than in 1954 because of increased efficiency and the rise of services.

1983, Chief Executive Martin Davis took over a company with operations ranging through an arcane alphabet from auto parts to mattresses to zinc. Davis immediately became one of the first of the big-time divestors, stripping off company after company. But he also maintained a good deal of diversity, rebuilding around three areas—entertainment, financial services, and publishing—where the company already had a presence and where he thought the greatest promise of return lay. (The stripping moved Gulf & Western from the Industrial 500 to the Service 500 two years ago.)

Davis decided what to get rid of and what to keep partly on his judgment about the company's managerial skills. "Start with myself," he says. "I was brought up in the entertainment business, and I understand the financial markets." As for publishing, Davis bolstered Simon & Schuster, a G&W subsidiary, by acquiring the big textbook house Prentice Hall. How did he settle on just three areas? "A lot of it was gut feeling," he explains. "Obviously, most decisions are made by instinct." Just as obviously, Davis's business instincts are excellent: Only an analyst who is also a part-time sadist could ask Davis for better performance. Net earnings at G&W have risen from $158 million, or $1.93 a share, in 1982, the year before Davis took over, to $356 million, or $5.76 a share, last year. Return on shareholders' equity, 7.6% in 1982, reached 17.8% in 1987.

Lots of evidence supports the view that this pattern of gains, the result of what might be called focused mass, will continue for many 500 companies. Stephen Coley, a partner at McKinsey & Co., thinks that the drive to make American companies more competitive in global markets is bound to favor the big corporation, especially in view of the dollar's decline. "Scale will make a tremendous difference," Coley says. For all the criticism being directed at conglomerates, Coley's research shows that of the 25 companies on the FORTUNE 500 list that gave shareholders the highest returns from 1970 to 1987, 15 were in multiple businesses. Size, scope, and management are not about to lose their magic. As a possible side effect of the comeback by big companies, Edward Bowman, professor of corporate management at the Wharton School, believes that the appeal of the 500 as employers is growing among his students and that the attraction of Wall Street is lessening—a trend also noticed at Harvard. (For another view, see the story that follows.)

Amid all this lovely music, a note of caution should be sounded. Restructuring has become something of a management fad. American businessmen have always been susceptible to managerial fashions—witness the conglomeration in the Sixties and Seventies—and now seem insufficiently critical of those who, like orthopedic surgeons, forecast health and happiness after surgery, standing most to gain from performing it. Perhaps overlooked is an odd characteristic of restructuring: Even in the cases of the companies just cited, the upside could also be the downside. Explaining that requires a look backward. The basic problem that overcame the managers of conglomerates, explains Robert Kaplan, professor of accounting at Harvard business school, tracks back to Kaplan's own profession—or, more accurately, to an excess of confidence in his profession. Governing by balance sheet and earnings statements, bearing down hard on quarter-to-quarter performance, the people from headquarters never knew what was happening, one might say, indoors. "The accounting system just wasn't showing what was really going on," Kaplan says. "Top executives relied on the financial signals for more than they are capable of providing." The key missing ingredient, he says, was an assessment of investments needed to meet the long-range goal of each business. Want of that nail brought the house down. Agrees Joseph Bower, a colleague of Kaplan's at Harvard: "What was called scale was simply a conglomeration of units that weren't being managed."

A Harvard professor worries that companies may be tempted to go conglomerate again: "The siren song appears to be irresistible."

Present argument holds that restructured corporations will not tumble into the conglomerate pit because the managers are actually operating the "core businesses," not just watching the books. But no one knows how to define core businesses or how many of them can be added before the company becomes that feared and hated monster, a conglomerate. Martin Davis's "gut feelings" about what his company could manage well have worked out beautifully; so, evidently, have Borden's new pasta line and Heinz's dash into dog food. But the question remains—just which are the core businesses? GE acquires RCA, Eastman Kodak buys Sterling Drug—who's in what core, and how long will the jury be out deciding whether the executives of these companies are operating managers of diversity or have slipped back into the conglomerate mode? Ennius Bergsma, a partner at McKinsey, points out that Dr Pepper went into what seemed like a logical extension of its soft-drink business—a part of the "core"—when it entered bottling. After the wreckage was cleared away, everyone saw that bottling just *appeared* to be an extension: it was really not part of the core at all. So it looks as though the only rule is ex post facto—if it works, it's a core business. Harvard business school professor Michael Porter worries that under the flag of restructuring, the old conglomerate may be sneaking back: "The siren song appears to be irresistible."

OTHER TROUBLES with restructuring may surface. Most worrisome is the debt companies take on in some kinds of restructuring (see page 87). The quick generality is that when servicing debt becomes the major corporate goal and cash flow the leading measure of success, trouble is building. After Borg-Warner's leveraged buyout, engineered by Merrill Lynch, B-W chief James Beré lamented: "Everyone now perceives the company to be very weak because of the highly leveraged balance sheet, and that's new for us. We were a stable company with a strong commitment to our employees. Now they say, 'We believe you,' but I wonder. Management is almost forced to take a shorter view of our work than we did in the past."

From Samuel Heyman, the chief executive of GAF who profited hugely by buying into and selling out of Union Carbide, comes a comment that amounts to endorsement of restructuring but edges over into concern anyway. To avoid takeovers, Heyman says, companies can restructure too hastily. He says that restructuring "must not be viewed as transitory, but rather as a permanent part of a company's response to shifting economic forces." Union Carbide was so eager to fight his takeover threat, Heyman thinks, that it failed to restructure as successfully as it might have.

But the most threatening picture for big corporations appears on the broad social canvas. Big companies have been cutting costs by massive firings, often as part of necessary restructuring (although even free-marketers could be forgiven for petitioning the government to make the use of "lean and mean" a felony). GE, for example, reduced its work force by some 57,000 in 1987, losing 31,000 with the sale of its consumer electronics business to Thomson. E. Patrick McGuire of the Conference Board estimates that about a million middle managers—educated, politically sophisticated people—have lost their jobs in the past three years. In all, McGuire figures, some 40 million people—families, suppliers—have been adversely affected. He predicts that these legions will continue to petition their legislators, and the result will be a new wave of regulation of big business. McGuire points out that 28 states have already passed antitakeover laws. Soon, he says, corporations trying to close plants or acquire companies, possibly to dismember them, will have to file economic impact statements. Other laws will change employer-employee relations in the employee's favor through portable pensions, mandated severance pay (which already exists in Europe, making it cheaper for U.S. companies to fire Americans), and support for the idea that to fire someone violates an implied contract, leaving the employer liable for "emotional damage." McGuire recites the argument: "These are people who committed no sin of sloth or incompetence. They put money into a kind of corporate bank when they chose a career in a big company. Now the bank has been embezzled by the senior people in the company—embezzled to please a paramour called Wall Street." One may have reservations about that reasoning, but it could be music on Capitol Hill.

From Robert Reich, professor of political economy at the John F. Kennedy School of Government at Harvard, comes strong reinforcement of those arguments. Reich says that big companies, such as steelmakers, were once "the anchor of communities like Youngstown, Ohio. Not only did they supply jobs, their executives were corporate statesmen active in community life and philanthropy. Local people looked at them and felt a high degree of loyalty and trust." Now that companies are firing people, leaving businesses, coming and going, and getting out of town, those left behind feel betrayed. Or enraged: In Scotia, California, many local people and environmentalists are furious because Pacific Lumber, a company recently taken over by Maxxam Group, stepped up the cutting of ancient redwoods. (Maxxam financed the $900 million purchase largely with junk bonds.) Bills to ban such cutting have been introduced in the California legislature. "Some companies are forgetting that society determines what kind of responsibilities and privileges they are going to have," says Reich. "Large corporations are losing their moral authority. Big-business bashing is going to come back into style—mark my words."

If that does happen, the business community may have to do some hasty rebuilding in Washington. Ray Hoewing, president of the Public Affairs Council, a Washington advisory group with 400 big companies as members, says, "My overall sense is that there has been a kind of wavering when it comes to representation of big corporations in Washington." Hoewing believes that because the Reagan Administration was regarded as benign, and in an ironic twist because of the pressures of cost reduction, big corporations' presence in Washington shrank during the early Eighties. Now, he thinks, "there seems to be no longer an outflow, but the companies coming in are middle range in size"—so big companies may still be underrepresented. Further, many issues in recent years, such as tax reform, have divided some trade associations.

> "Large corporations are losing their moral authority. Big-business bashing is going to come back into style—mark my words."

If business speaks with a weaker voice in Washington, it may suffer further from the apparently mediocre quality of business leadership on the national scene. No one appears to have replaced executives like Reginald Jones of GE and Irving Shapiro of Du Pont—respected, politically savvy business statesmen who knew their way around the Hill. Further, Stephen Kobrin, professor of management at the Wharton School, thinks the political influence of American multinational corporations has declined in Washington, partly because of the decrease in the number of American executives working in affiliates abroad and the decline in U.S. international power generally. These companies have also lost influence, Kobrin believes, because they are unwilling and to some extent unable to further the objectives of U.S. foreign policy—the shipment of pipeline equipment to the U.S.S.R. against the Reagan Administration's desires being a case in point.

Exacerbating the possibility of a new burst of regulation and the prospect of diminishing clout in Washington, the 500 by some measures have also lost position in the U.S. economy. The 500's revenues equaled 37% of nominal GNP in 1954. The proportion rose as high as 60% in 1980, but last year's drop to 42% brought it down almost to the 1954 level. One reason for the drop is that prices of services have generally risen faster than prices of goods. The share of GNP going to manufacturing as a whole has not followed that pattern of slippage: manufacturing has stayed at around 20% of GNP for 30 years.

THE EMPLOYMENT STORY is similar. The 500 employed 12% of the civilian work force in 1954, and the proportion had reached 17% by 1973. Then the slope turned downward, and last year, in part because of restructuring, the 500 employed only 11% of the work force. This decline in employment share is partly explained by the nationwide shift from manufacturing to services: The percentage of the work force engaged in services has grown greatly since 1948 and now stands at 76%, while manufacturing's portion has declined from 35% in 1948 to 19% last year.

Fewer people working for 500 companies, less share of the nation's economic life coming from the 500—yet all that may not in the long view be bad news. Despite restructuring layoffs, unemployment has continued to decline in the U.S., and the number of employed has continued to grow. That growth suggests that those displaced by restructuring may find new jobs with reasonable speed—perhaps in small companies, now acknowledged as the major creators of jobs. At the same time, firings from restructuring may be expected to taper off, so that at least some of the business-bashing predictions of McGuire and Reich may not come true. With few exceptions businessmen have not been comfortable on the public stage, nor have they performed very well there; the interests of the business community may not suffer if executives spend less time in the spotlight and more in the office. In any case, corporate managers these days are loudly proclaiming that their highest loyalty is owed to their shareholders—an old pitch, but never before made with such force by so many different bosses. Judging from the profit figures, many of these bosses should be feeling pretty good. ■

FORTUNE 500 CEO POLL

AND YOU THOUGHT YOU HAD IT TOUGH

The men who run 200 of America's largest corporations say the job is getting harder. Why? Reasons include global competition and less social clout.

■ *by Carrie Gottlieb*

Q

Is the power of the large corporation in America increasing or decreasing?

A

Increasing	**16%**
Decreasing	**33%**
Same as always	**49%**
Not sure	**2%**

Q

Is the main economic rationale for the large corporation—economies of scale—disappearing?

A

Yes	**35%**
No	**60%**
Not sure	**5%**

Q

Is sales growth as important an objective to you as it was to your predecessor?

A

As important	**39%**
Not as important	**56%**
Not sure	**5%**

Q

Ten years ago a few CEOs were widely regarded as spokesmen for big business—Irving Shapiro of Du Pont, Reginald Jones of GE, Clifton Garvin of Exxon. Which individuals speak for big business today?

A

No one in particular or not sure	**45%**
Lee Iacocca (Chrysler)	**23%**
Jack Welch (General Electric)	**19%**
Roger Smith (General Motors)	**19%**
James Robinson (American Express)	**13%**
John Akers (IBM)	**12%**
John Reed (Citicorp)	**12%**
Donald Petersen (Ford)	**6%**
Ross Perot	**2%**
George Keller (Chevron)	**2%**
Richard Heckert (Du Pont)	**2%**
T. Boone Pickens	**1%**
Others	**13%**

Q

Compared with your CEO predecessor, is your job easier or harder?

A

Easier	**1%**
Harder	**77%**
Same	**17%**
Not sure	**5%**
Why harder?	
Globalization of business	**25%**
Increased competition	**23%**
Government regulation	**18%**
Increased size of company	**11%**
Public and shareholder pressures	**11%**
Pace of change	**7%**
Mergers and takeovers	**7%**
Technological changes	**6%**

IS THE GOLDEN AGE of the large corporation ending? Suggestions that it may be come from a surprising source: the men who run 200 of America's biggest companies. In the latest FORTUNE 500 CEO Poll, these corporate chiefs reveal doubts about the future of companies like theirs. Not that they despair; rather, the executives seem to see their companies' outlooks as good but not great, bright but not sparkling.

Twice as many believe that the power of large corporations in America is decreasing as believe it is increasing. While most think the economic rationale for large corporations is intact, a significant minority think it is disappearing. Ask these executives who speaks for big business, and they are most likely to respond that no one does. Most say they consider sales growth a less important measure of performance than their predecessors did—which may prove a benefit for shareholders. Overwhelmingly they assert that running the company is harder for them than it was for the previous CEO.

The survey was conducted from March 16 to 24 by Clark Martire & Bartolomeo, an independent opinion research firm. The 200 respondents came from among the chief executives of the FORTUNE 500 and Service 500 companies.

Of the CEOs interviewed, only 1% thought their jobs were easier than their predecessors'. Most agree that so many external and unforeseen factors bombard CEOs today that long-term planning can quickly give way to crisis management. Thomas Phillips, head of Raytheon, speaks for many: "I constantly have to defend against someone raiding my company. I have to show quarter-to-quarter results. And now we compete against Japanese corporations that have become very formidable. That wasn't the case 20 years ago." Adds John Georges of International Paper: "It's not just a matter of looking at your internal market, plotting the historic growth rate, and saying, 'This is what will happen in three years.' Changes have always existed. But now they're more intense and occur in more rapid sequence than in the past."

Against these challenges, the chief executive may have less room to maneuver. Says John Rollwagen, chief of Cray Research, the supercomputer maker: "The CEO used to be the boss. He's not anymore. He's had to relinquish day-to-day control. The job of the CEO is to let people be creative." And it had better work. As Kenneth Lay of Enron, a natural-gas company, says, "It used to be that a CEO had job security until he died or retired. Today CEOs understand that they either perform or get kicked out."

Specifically, CEOs say that the two main factors making their jobs tougher are globalization of business and increased competition. Even after seven years of Ronald Reagan, they rate government regulation a strong third. Only 7% say takeovers are making life more difficult, perhaps because these days large companies are as likely to be aggressors as targets.

JOHN MADERE

JOHN A. GEORGES
International Paper

"Changes have always existed. But now they're more intense and occur in more rapid sequence than in the past."

Most CEOs (60%) believe the principal economic rationale for large corporations—economies of scale—is as important as ever. William Alley of American Brands expresses the majority view: "Since the U.S.'s business competitors in the Far East and on the other side of the Atlantic are getting larger and more forceful in the world market, we must be of comparable size to compete." International Paper's Georges agrees. He notes that his overseas competitors "are not tiny little companies in Scandinavia. They're huge—sometimes far larger than our own."

Yet a significant minority (35%) buy the theory that the whole notion of economies of scale is crumbling. Cray's Rollwagen argues that improved technology allows design and engineering work—important aspects of Cray's business—to be done by small groups of people, making economies of scale more widely available. He believes corporations should place a premium on being "light on their feet" because they need flexibility against foreign competition. Large, lumbering organizations cannot respond as quickly to change as can smaller, entrepreneurial companies.

GEOFFREY BIDDLE

STANLEY C. PACE
General Dynamics

"Companies just don't carry the same impact with the public or with politicians in general."

About half the CEOs polled believe the overall power of large corporations in America is about the same as always. But a third think corporate power is decreasing. Seeing mammoth companies taken over and broken up has changed these executives' view of the world. Seeing such giants as Manville and A.H. Robins pushed nearly into extinction by product liability suits has created a new realization of how fragile even a large corporation is. Seeing a pillar of the FORTUNE 500 like Texaco forced into Chapter 11 by a ruling of the Texas courts seems to have profoundly shaken these CEOs.

They believe their influence is fading in Washington as well. Legislators no longer welcome CEOs with open arms. Even in this generally pro-business era, no one asserts with quite the confidence of the 1950s that anything that's good for business is good for America. Says Stanley Pace of General Dynamics: "Companies just don't carry the same impact with the public or with politicians in general. Thirty or 40 years ago a CEO was held in awe by some politicians. Today, if a CEO sits at home he has no power in Washington. He must play the game and help his Congressman in order to have some influence." The saving grace in this loss of power, says George Kennedy, head of International Minerals & Chemical, is that it discourages complacency and smugness. "If the powerful people in industry find they can't take their bigness for granted," he says, "then that is a good thing."

Big business lacks dominant spokesmen—perhaps partly cause and partly effect of the perceived waning influence. When asked to name the most widely regarded spokesmen for large corporations, CEOs are most likely to name no one. The people they come up with are famous executives who actually speak little on behalf of big business in general and more often for their companies. The first tier is Chrysler's Lee Iacocca, Jack Welch of General Electric, and Roger Smith of General Motors. Further down on the roster are James Robinson of American Express, IBM's John Akers, and Citicorp's John Reed. Why no standout representatives? The CEOs polled offer no persuasive set of reasons—although as Enron's Kenneth Lay says, "Maybe there's less time to be a public spokesman today."

PERHAPS THE MOST encouraging news in the poll is the spreading wisdom among CEOs that sales growth is not what the shareholders are paying them to achieve. Profit growth is. When it comes to measuring corporate performance, 56% of the respondents say sales growth is not as significant to them as it was to their predecessors. Says Phillips of Raytheon: "Net worth and the ability to invest in internal development and research—that's important to corporate strength. Sales alone won't do it." The view of International Minerals & Chemical's Kennedy is also the laudable new gospel among the masters of America's largest corporations: "In the final judgment, I'd rather have it etched on my tombstone that I contributed to shareholder value than have it say I was involved in a $20 billion company."

MARK JOSEPH

GEORGE D. KENNEDY
Int'l Minerals & Chemical

"If the powerful people in industry find they can't take their bigness for granted, then that is a good thing."

WHAT A DIFFERENCE OWNER-BOSSES MAKE

When they have big stakes, their companies can sizzle. Just look at the fast growers on the fringe of this year's FORTUNE 500, many of them likely to make the list in 1989. ■ *by Peter Nulty*

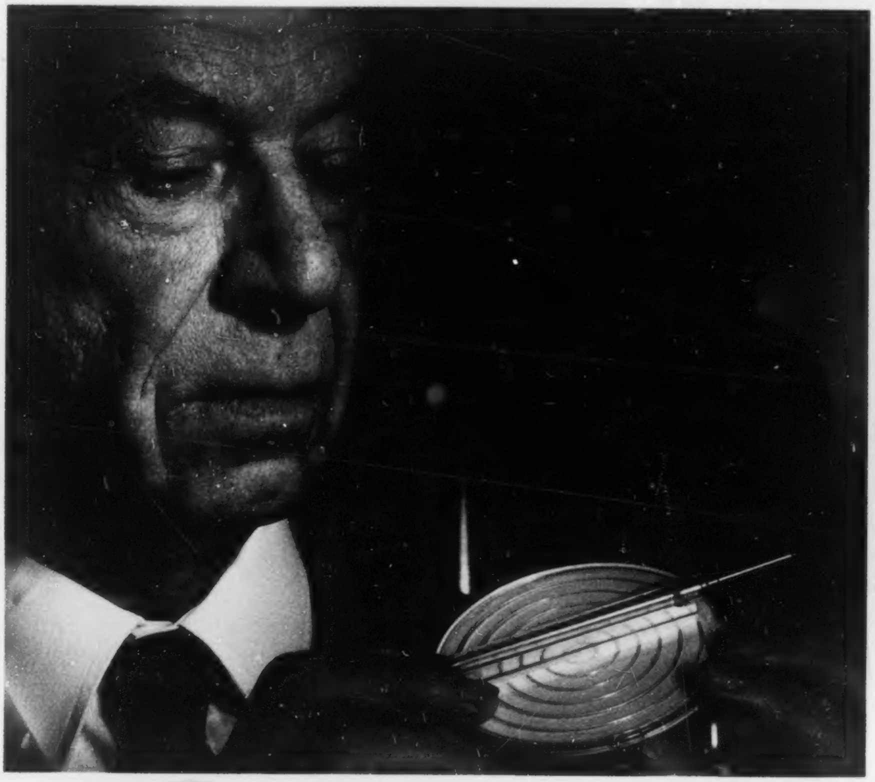
LIKE POSITIONS on a professional baseball team, listings on the FORTUNE 500 are hard to win and tough to hang on to. Aggressive new talent is always pushing up from the farm clubs, itching for the chance to fill the shoes of any top player who falters. A year ago FORTUNE published for the first time a list of 25 of the brightest talents in the 500 farm league, medium-size but fast-growing companies struggling to break into the big time. Nine of those outfits have won places on this year's 500 list, led by Newell Co., which leapfrogged all the way to No. 386.

Welcome, now, the star contenders for the rookie class of '89. They are an incredibly diverse group of enterprises, ranging in age from ten years to 182. Their products include such high-tech gems as filters to screen microbes from the blood, such stunningly unglamorous items as tire retreads, and such homey stuff as bathtubs and chickens.

Each contender has devised its own successful formula for growth. A few are products of corporate restructuring—lackluster divisions spun off by conglomerate parents, only to blossom in their newfound freedom. Some are conglomerate parents in the making, busily acquiring. Most are simply sticking to what they do best, and doing it better than competitors. Every company in the group has recorded average annual sales gains of at least 7% for the past three years, about triple the typical 500 corporation's growth over that span. Three-quarters of the 25 have been growing at double-digit rates.

Hodgepodge as they may appear, most of these outfits share a striking characteristic: Management and members of the board of directors own significant chunks of the stock, giving them a strong voice in running the show and a stake in the outcome. At Pall Corp. of Glen Cove, New York, insiders own 10% of the shares. David Pall, 74, who is chairman, founded the outfit in 1946 to mar-

REPORTER ASSOCIATE *Darienne L. Dennis*



JOHN MADERE (2)

Growth at Pall Corp. *is fired by research on filters like the one above, which purifies fluids used in making semiconductors. Founder David Pall, left, holds a new blood filter that removes white cells, which carry viruses that can cause adverse reactions in transfusions.*

ket a lightweight filter for aviation fuel that he invented. Now the company produces hundreds of high-tech filters for the chemical, aerospace, and health industries.

Research and development are king at Pall, which spends about 4% of sales on research and an additional 3% on laboratories that work on customers' problems. "We don't really budget for R&D," says Eric Krasnoff, a vice president who runs the biomedical division. "We just spend whatever we have to." The trick, Krasnoff hastens to add, is to focus on unique products: "We don't research things other people have already invented." Pall Corp. filters out a nice profit. Returns on shareholders' equity have averaged about 26% over the past decade. David Pall is no longer active in management, but he spends time at the lab and holds over 100 filtration patents.

While Pall Corp. exploits unique advantages in a special niche, Valspar Corp. blazes a colorful trail in the staid old commodity business of paint. The Minneapolis company was founded in 1806. Sales grew to only $25 million by 1970, just before Valspar merged with another company of the same size: Minnesota Paint. After the merger Angus Wurtele, 53, became chief executive and began buying up other small paint companies at the rate of about one a year. Wurtele owns 12% of the shares; other insiders own 18%.

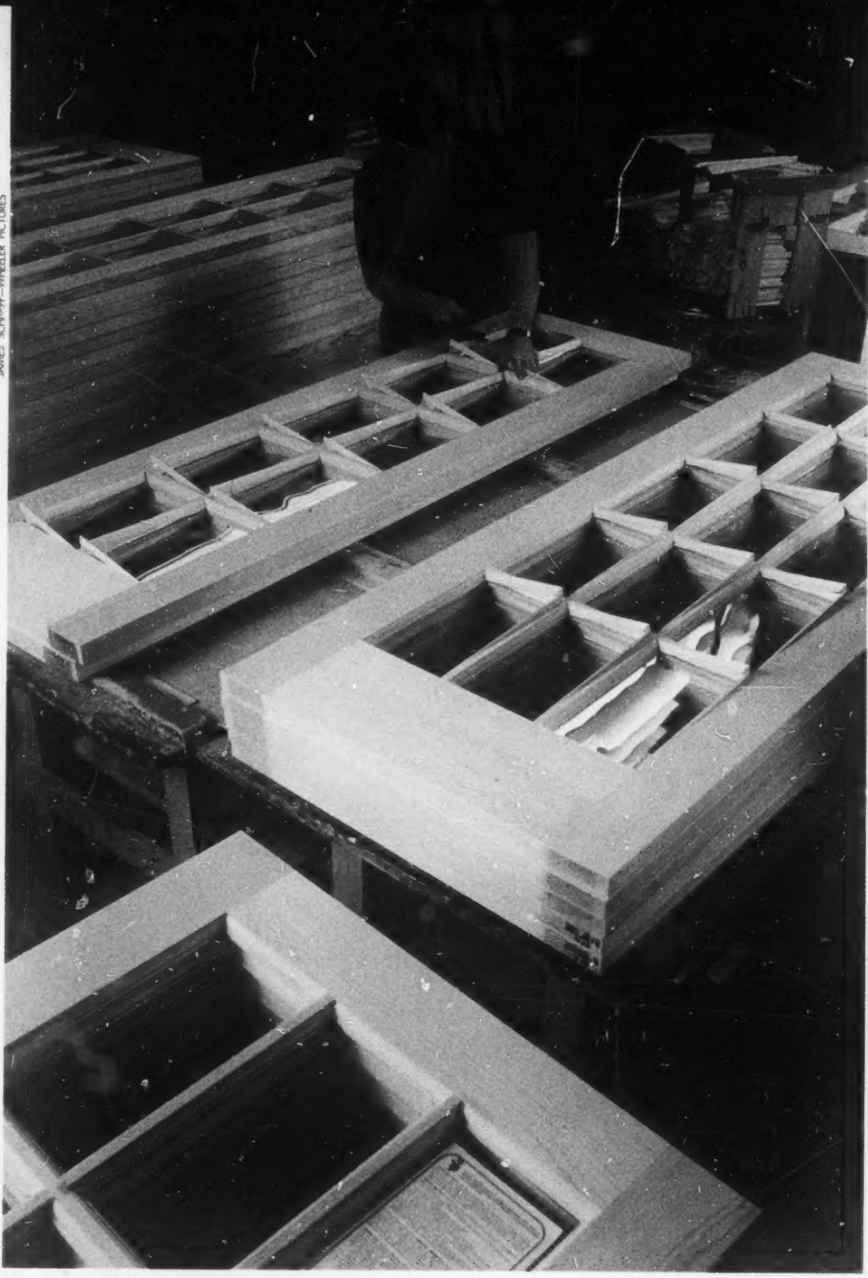
Wurtele's strategy is to stick to paint. He removes any businesses in the acquired companies that don't fit the product line and streamlines what remains. He has organized more than 100 profit centers and has spurred on their managers with a trio of incentives: decision-making autonomy, performance bonuses, and stock ownership. "Just one incentive won't do," he asserts. Valspar is now the fifth-largest company in the industry. Last year sales and earnings grew 18% and 22%, respectively, compared with industry averages of 7% and 2%.

Molex, a family-controlled manufacturer of electrical connectors and switches used in TV sets and automobiles, disproves the canard that family managers doze at the switch.

Molex Inc. and J.P. Industries Inc. have also expanded boldly in businesses where competition is strong and no player has a particular advantage. A family-controlled company, Molex disproves that old canard that family managers doze at the switch. Molex makes electrical connectors and switches used in such products as television sets, computers, and automobiles. The Krehbiel family of Lisle, Illinois, owns 49% of the shares, and John Krehbiel Sr., 81, runs the company with his two sons, John Jr. and

GROWING MIDSIZE COMPANIES HEADING TOWARD THE 500

COMPANY	PRINCIPAL PRODUCTS	1987 SALES	1987 NET INCOME	1984-87 AVERAGE ANNUAL SALES GROWTH RATE	
		$ Thousands	$ Thousands	%	Rank
CARTER-WALLACE (New York City)	Pharmaceuticals	451,183	32,326	9	19
VALSPAR (Minneapolis, Minn.)	Chemicals (paint)	448,944	18,052	26	4
VALMONT INDUSTRIES (Valley, Neb.)	Industrial products (lighting poles)	444,884	8,258	21	6
CROSS & TRECKER (Bloomfield Hills, Mich.)	Machine tools	437,042	(24,500)	17.7	7
THOMAS & BETTS (Bridgewater, N.J.)	Electronics	436,463	48,500	10.6	15
HUDSON FOODS (Rogers, Ark.)	Food (poultry)	428,900	12,900	27	3
POPE & TALBOT (Portland, Oreg.)	Forest products (lumber, paper)	426,908	28,129	10.1	16
NCH (Irving, Texas)	Chemicals	426,617	19,588	7.1	23
BANDAG (Muscatine, Iowa)	Rubber products	423,029	62,553	9.9	18
PILGRIM'S PRIDE (Pittsburg, Texas)	Food (poultry)	421,718	10,334	12.4	13
LA-Z-BOY CHAIR (Monroe, Mich.)	Furniture	419,991	24,664	14.1	12
MORGAN PRODUCTS (Oshkosh, Mich.)	Forest products (doors)	417,167	16,194	23	5
FORMICA (Wayne, N.J.)	Plastics (laminates)	413,500	3,205	7.3	22
SPS TECHNOLOGIES (Newtown, Pa.)	Metal products	409,251	15,200	15.4	9
OSHKOSH TRUCKS (Oshkosh, Mich.)	Motor vehicles	403,901	25,811	21	6
ALBANY INTERNATIONAL (Albany, N.Y.)	Textiles	402,203	25,245	14.7	11
LADD FURNITURE (Highpoint, N.C.)	Furniture	386,876	27,634	26	4
MOLEX (Lisle, Ill.)	Electronics (connectors, switches)	386,759	43,416	15.3	10
JP INDUSTRIES (Ann Arbor, Mich.)	Metals, plastics (plumbing, engine parts)	386,516	14,800	80	1
BETZ LABORATORIES (Trevose, Pa.)	Chemicals	385,868	40,634	8.3	21
PALL (Glen Cove, N.Y.)	Industrial equipment (filters)	385,142	48,086	16.7	8
TONKA (Minnetonka, Minn.)	Toys	383,142	(7,500)	40	2
FLORIDA STEEL (Tampa, Fla.)	Metals (steel)	380,996	16,929	10	17
SALEM CARPET MILLS (Winston-Salem, N.C.)	Textiles (carpets)	359,354	5,400	11.4	14
W.A. KRUEGER CO. (Scottsdale, Ariz.)	Printing (books, magazines)	346,362	16,954	8.5	20



JAMES SCHNEPF—WHEELER PICTURES

The fate of Morgan Products *hinges on doors like these at an Oshkosh, Wisconsin, plant.*

Frederick. When Japan became a giant in electronics and auto production in the early Seventies, the Krehbiels quickly opened a Japanese plant and are now well established throughout the Pacific Rim. Roughly 70% of sales are now overseas.

Krehbiel Sr. says success comes from doing a lot of little things well: "We're not the best engineers, we're not financial wizards, and we're not leading innovators. We are generalists who do all that." He adds that owning a controlling block of the stock helps because his family doesn't demand big dividend payments. Thus, the company can plow a lot of its cash flow into further growth. "And we are hell-bent on growth," Krehbiel Sr. says. "Last year our sales were $386 million. But 1988 is our 50th anniversary, and we're determined to break $500 million if they have to carry my desk out and sell it." So much for drowsy family managers.

J.P. Industries of Ann Arbor, Michigan, with sales rocketing at an 80%-a-year rate over the past three years, is the fastest-growing contender in the FORTUNE farm league. Yet again this is no high-tech company with a hot new product that incites customers to a feeding frenzy. J.P. makes plumbing fixtures such as sinks, tubs, and toilets, and tough metal parts for cars, such as camshafts and engine bearings. Not much sex appeal there.

The company was founded in 1979 by John Psarouthakis, 55, a chess buff who believes in plotting ten moves ahead. Psarouthakis is assembling J.P. Industries from acquisitions, 14 so far, that he plans out in exquisite detail. First, he looks for targets that are profitable but underperforming. Then he develops what his vice president of planning, Miran Sarkissian, calls an "action Bible," spelling out how to streamline the operation and who will carry out the plan. He sets a goal of at least 20% growth per year for his acquisitions.

Psarouthakis too wears the cap of owner-manager. He owns 6% of the stock, and other insiders hold 7%. Perhaps that explains his patient but relentless approach. He exhorts employees to do at least one thing better each day, figuring that all improvements, however small, will add up. The company's motto: "Better Makes Us Best."

If the products of J.P. Industries seem mundane, take a look at Bandag Inc., one of several up-and-coming companies that have succeeded through marketing coups. The world's largest maker of rubber treads for recapping worn-out truck and bus tires, Bandag is in a business that makes most others look as glamorous as champagne. And yet there's good money in bad tires.

BANDAG IS TO RETREADING what Big Blue is to computers: It sells top-of-the-line treads, and the machines to bond them to old tires, to franchised retreading shops. Roy Carver founded the enterprise in Muscatine, Iowa, 30 years ago after acquiring the rights to a retreading process from a German inventor. To this day Bandag claims to produce a longer-lasting retread than competitors. Carver's son M.G. is now chairman, and the family owns 30% of the common stock.

Bandag treads have a grip on roughly 50% of the $700-million-a-year domestic retreading market. But the market is growing only about 5% a year. So the company is expanding overseas, where sales, helped by the weakening dollar, have been increasing about 20% annually. Thomas Dvorchak, Bandag's chief financial officer, credits the franchisee system with the big growth: "We can pick the best people because we never sell through nonfranchisees, and we don't charge franchisees a fee up front." Indeed. In the past five years Bandag's return on shareholders' equity has averaged more than 25% annually, and earnings have nearly doubled to $3.90 per share.

George Brophy, 53, chief executive of Morgan Products Ltd., calls his five-year-old company "a classic leveraged buyout." Morgan, a manufacturer of top-quality wooden doors for homes and the leading distributor of Andersen windows, used to be a division of Combustion Engineering. Brophy once was chief operating officer of U.S. Industries Inc., since bought by British-controlled Hanson Industries. He long wanted a ship of his own. He thought the assets of Morgan were underutilized and tried unsuccessfully to buy the company in 1972 and 1980. But in 1983 Combustion Engineering began restructuring, and Brophy got his prize for $2 million in equity and $58 million in debt.

Brophy's first act was to hire three top operating executives from Masonite Corp. "The four of us all had more than 25 years of experience each in specialty building materials," he says, "so we knew how to hit the deck running." In their first year in business, the group paid off a quarter of the debt, partly by speeding the rate of inventory turnover. Pleased with that performance, Brophy instituted an incentive system based in part on controlling those inventories. Top executives also own 7% of the stock.

Brophy next opened the doors to wider marketing. Under Combustion Engineering, Morgan had been selling 60% of its product to home builders. Brophy figured that, with the aging of America's homes, renovation and repair offered a fast-growing area in which to win customers. This market is also less cyclical than the construction business. Now more than 50% of Morgan's revenues come from the repair and remodeling market, and sales have nearly tripled, to $417 million, since Brophy bought the company.

> La-Z-Boy, a maker of put-your-feet-up recliners, awoke to modern marketing techniques in the early Eighties and has been anything but sedentary since.

La-Z-Boy Chair, a maker of put-your-feet-up-and-snooze recliners, awoke to modern marketing techniques in the early Eighties and has been anything but sedentary since. Founded in 1927 by the father of the present chairman, Charles Knabusch, 48, La-Z-Boy enjoyed steady but unspectacular growth from sales of its dependable but ungraceful chairs until 1982. That was the year Knabusch hired Patrick Norton of Ethan Allen Furniture, known for its marketing prowess, as senior vice president of sales and marketing. Norton, 66, recalls that when he arrived at the La-Z-Boy headquarters in Monroe, Michigan, he found "a company with great plants, a great name, and a great product, but a bit short on marketing direction."

Since then Knabusch and Norton have done two basic things. First, they redesigned their chairs with softer fabrics so they would look less like clunkers in a smoky men's club and more like living room furniture. That helped make the chairs more acceptable to women. Says Norton: "We made them part of the human race, pieces of furniture rather than contraptions."

Second, Knabusch and Norton weeded out retail dealers who wouldn't push the product—in all, 42% of those on the roster in 1980. Unit sales of the recliners have tripled since 1982. At the same time, Knabusch started acquiring manufacturers of more traditional styles of furniture, which now account for about 25% of the company's $420 million in revenues. Insiders own 21% of the stock but, unlike other owner-managers, Knabusch believes that has made no difference in performance. "The key factor to our growth is good marketing."

Taking big risks, through heavy borrowing and dogged expansion in soft markets, has made the difference at Pilgrim's Pride and Florida Steel. Lonnie "Bo" Pilgrim, 59, founder and 80% owner with his family of Pilgrim's Pride, long ago put all his eggs in one basket—the chicken business. Although he has never diversified, he moved adroitly to exploit the nation's growing passion for poultry by moving into the processed chick-

Florida Steel's red-hot performance *rides on such prosaic products as concrete reinforcing wire, being formed into coils at a Jacksonville mill.*

JONATHAN BURNETTE

en products popular at fast-food outlets, where the margins are higher than they are in supermarkets. He has used debt to expand aggressively, a dicey approach in a business with volatile prices and profits. Pilgrim's long-term debt was equal to roughly 47% of total capital at the end of 1987.

"We use debt because I'm used to it," Pilgrim says. "You can expand inventory and capacity a lot more using debt, and the costs of borrowing are diluted by the increase in volume. That works fine as long as you catch the market on the way up." So far, so good. Pilgrim's Pride, located in Pittsburg, Texas, has become the sixth-largest producer of chickens in the country.

One of seven children, whose father died when he was 11, Pilgrim founded his company in 1945 at the age of 17. Last month he nearly negotiated a deal to sell out to Tyson Foods, and Tyson backed out. Now he says he'll remain in the business. If he doesn't change his mind or get caught with too many birds in a big downdraft, Pilgrim could land on the 500 before long.

If chicken processor "Bo" Pilgrim doesn't get caught with too many birds in a downdraft, he could land on the 500 before long.

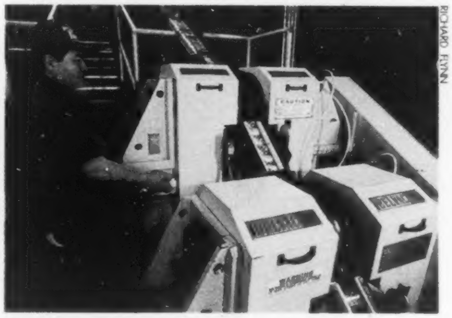
At Florida Steel, where insiders hold 8% of the stock, the motto is: "Think long term." Florida's chairman, Edward Flom, 58, has been patiently piecing together a mini-empire of mini-mills, five so far, that mainly produce concrete reinforcing bars for roads, bridges, and buildings. "We've never had a short focus," says Flom. "We built a mill in the '83 recession and took the losses because we knew we would soon need it."

Orders are now strong in Florida Steel's markets in the Southeast, and the mills are rolling out profits. Flom thinks the robust demand "will last a long time." These days the company is spending heavily to upgrade mills and cut costs, and these expenditures should pay off well into the 1990s. Flom is also looking for acquisitions, but he's not in any hurry. "We are very growth minded," he says. "But it takes a lot of hard work." No doubt that sentiment would produce a chorus of "amens" among those aspiring to be rookies on the FORTUNE 500 next year.

COMPANIES TO WATCH

Belgian Tool & Die Co.

■ From humble beginnings in 1962 as a small tool and die shop, this privately held company now manufactures Belvac canmaking machinery. Belvac neckers, waxers, coaters, and trimmers help turn out some 110 billion seamless aluminum and steel cans annually. In 60 seconds, about the time a college sophomore downs a Bud, these machines can spew out 1,800 containers. Founder Alphonse Stroobants expects that the Lynchburg, Virginia, concern will have revenues of $18 million this year, up 30% from last year.



Speeding along a Belvac necker

RICHARD FLYNN

Attwoods PLC

■ This British-based waste management company is cleaning up in America. Since 1984, Attwoods has acquired three garbage haulers and dozens of mom-and-pop trash collectors in Florida to become the second-biggest waste company in that state. It has also collected another trash transporter that will take it into four more states and a medical waste disposal company. Analysts believe this business won't be trashed by a weak economy. Says Barry Mannis, an analyst at Shearson Lehman Hutton: "People make just as much garbage in a recession." The stock, which is available over the counter in American Depositary Receipts, recently traded at $27 a share, about 14 times 1988 earnings. Last year sales were up 36% to $112 million, and profits rose 54% to $13.3 million.

Brock Hotel Corp.

■ Remember ShowBiz Pizza Place and Chuck E. Cheese, the pizza parlors and video arcades that were the rage with the under-16 set in the early 1980s? The wild din and woeful food gave parents a case of indigestion that quickly turned into severe stomach pains for Brock Hotel Corp., the company that started ShowBiz in 1979 and acquired Chuck E. Cheese in 1985. In 1986 Brock was ailing so badly that creditors accepted roughly 35 cents on the dollar for its debt. CEO Thomas Corcoran calls it a *Star Wars* bankruptcy, meaning that the company was able to reorganize so fast that it avoided Chapter 11 altogether. Out went most of the noisy videogames and down went the decibel level of the music and talking robots. In came a new pizza recipe, fresher salad bars, and table service. Last year sales were up 9% to $192 million and profits were $5.1 million, mostly from an extraordinary gain. The stock trades on the New York exchange at around $7, a price that suggests to Jeffrey Kessler of Cowen & Co. that investors have not yet recognized Brock's improving fortunes.

Animed Inc.

■ The largest company doing laboratory tests for veterinarians hopes to have something to yip about this year—profits. That would be a welcome change for stockholders, whose shares have dropped from a high of $15 in 1985 to about $1.50 recently. Animed bills 80% of the country's vets for clinical services such as tissue and fluid analysis. It also sells medical supplies and computer hardware and software designed for veterinary practices. Last year sales grew 22% to $18.8 million, and revenues should hit $25 million this year. But the Long Island company lost $16 million in fiscal 1986—$3 million from continuing operations and $12.8 million in a one-time write-off of goodwill—dropped another $1.8 million last year, and expects a small loss in the first quarter of 1988. Nonetheless, President Steven Rabinovici predicts that the company will be profitable this year because the revenues are growing and overhead is relatively fixed. Though some analysts are skeptical, Richard Molinsky of D.H. Blair thinks Animed will earn 20 cents a share this year.

—Sarah Smith

COMPETITION

HOW BANKING WILL SHAKE OUT

So-called superregionals have high stock prices, few problem loans, and great growth prospects. What's more, they threaten to take over bigger, better-known institutions. ■ *by Gary Hector*

IF A MAN'S DEMEANOR were enough to determine his world, Thomas Labrecque's universe would be an orderly, disciplined place. Snug in his office in a Wall Street skyscraper, the president of Chase Manhattan Corp. exudes a sense of confidence and calm. He is in many ways a banker of the old school: perfectly tailored, without a hair out of place. But the message Labrecque conveys is at odds with that apparent assurance. Says the man in line to be chief executive of the third-largest U.S. bank in assets: "Whatever a corporate raider could do, I'll bet you that right now, in my drawer, I've got a strategy to do."

The once orderly world of banking has become a jungle. Emerging as the new kings are so-called superregional banks, institutions that operate over more than one state from bases in what used to be considered the hinterlands. Their increasingly desperate quarry: the money center banks of New York, Chicago, and San Francisco, the leaders of the industry as little as ten years ago. The businesses that money center banks dominate—lending to large corporations and serving customers outside the U.S.—have grown so competitive that they offer only meager profits, not nearly enough to shore up balance sheets laden with shaky loans to Latin American countries. The superregionals, by contrast, are richly profitable. Their balance sheets are strong enough to let them write off what little Latin American debt they have, thereby putting pressure on the money center banks to do the same. What's more, the stock market loves the superregionals. Their strong stock prices give them an edge in the industry's haunting new game: hostile takeovers.

Five years ago few dreamed that unfriendly overtures would ever be permitted by staid bank regulators. But in February the Federal Reserve Board let proceed what appears to be the industry's first big hostile takeover attempt, a bid for Irving Bank Corp. by Bank of New York Corp. Says Carl Reichardt, chief executive of Wells Fargo & Co., a very profitable regional bank based in San Francisco: "We're all takeover candidates now." Though the superregionals may not be large enough to swallow Chase yet, they soon will be. That threat is impelling such money center banks as Chase, Chemical, and First Chicago to get out of unprofitable businesses and restructure what remains.

MARK SELIGER

THOMAS LABRECQUE, PRESIDENT, CHASE

MARKET CAPITALIZATION

1980	1988
$1.6 BILLION	**$2.1** BILLION

Low profit margins overseas and shaky Latin American loans weigh on Chase Manhattan, and it is retrenching. While Labrecque expects to be a "hell of a competitor," he has not yet convinced the stock market.

Bankers have been bracing for dramatic

REPORTER ASSOCIATE *Terence P. Paré*

CARL REICHARDT, CEO, WELLS FARGO

MARKET CAPITALIZATION

1980	1988
$652 MILLION	**$2.7** BILLION

Once a money center look-alike, Wells dazzled investors by reconstituting itself as a regional, making some terrific mergers in the process. Part of its secret was ruthless cost cutting in the combined operations.

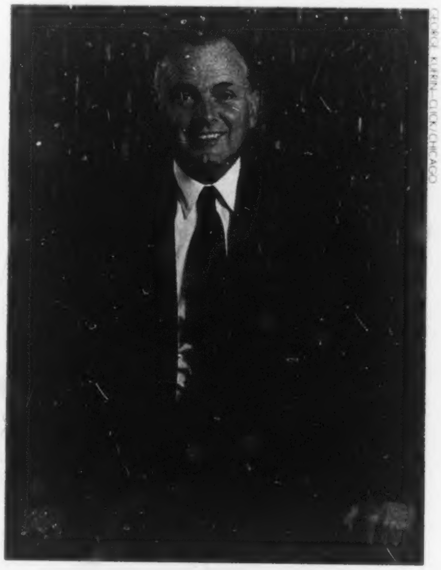
change since the early 1980s, when the first wave of deregulation broke over the industry. Loosening Federal Reserve Board restrictions was supposed to make life easier by allowing banks to offer high-interest checking accounts and other products to battle the likes of Merrill Lynch and the money market funds. Instead, deregulation seemed to squeeze profits and intensify competition without reducing the oversupply of banks. With some exaggeration, J. Terrence Murray, president of Fleet/Norstar Financial Group in Providence, Rhode Island, a leading superregional, summarizes the changes: "In eight years our money costs have doubled, our bricks and mortar costs have tripled, and our people costs have tripled or more, and at the same time our interest earned has not dramatically increased."

Expect more turbulence in the decade ahead. As in the airline industry, deregulation is likely to bring price wars, with the big beneficiaries being consumers and small businesses, the clients that have been stoking the superregionals' profits. After a shakeout of weak competitors, three large money center banks—Citicorp, J.P. Morgan, and Bankers Trust—will almost certainly remain as global players, competing with other giant banks from Japan, Britain, and elsewhere. Some two dozen other U.S. banks will form a second tier, whose nature will depend on the outcome of today's mergers. "We're just starting," says Reichardt of Wells Fargo. "I would guess that in the next five years you are going to see massive mergers, not necessarily by size, but by numbers—numbers of smaller institutions acquired by middle-size and larger institutions."

In the global context, most of these second-tier banks will end up as niche players, with some very large niches indeed: the entire U.S. as a market, or one region of the country. The stock market is betting that a dozen or more well-run superregionals will take top honors among this group. With hyperefficient operations, balance sheets seemingly constructed by Brinks, and little or no exposure in Latin America, the superregionals can capitalize on the consolidation of the industry. Their challenge is to avoid missteps as they build and manage ever larger companies, at a time when many management consultants argue that most mergers do not work.

WALL STREET is downright skeptical that many money center banks will even make the second tier (see table). A combination of heavy Latin American debt, small loan-loss reserves, and diminished capital continues to hobble them. The fun is gone from lending to large corporations both at home and overseas, mainly because such borrowers can find lower interest rates in the commercial paper market. So the money centers are restructuring. But their stock tends to sell at such low multiples that they cannot afford to buy up other institutions. Says an investment banker at a major Wall Street firm: "The money centers are irrelevant."

Yes, agrees James McCormick, president of First Manhattan Consulting Group, "The world has just fallen apart for the poor old money centers." Analysis by McCormick's firm suggests that about 40% of money center bank business can still earn impressive profits: Credit card lending, securities trading, and managing money for the wealthy can return up to 25% on investment. The firm figures that probably 20% of operations earn an average return, say, 14%. But the remaining 40%—all those foreign and large corporate loans—are so unprofitable that they drive down the market value of the company. Says McCormick: "This is a classic case for a



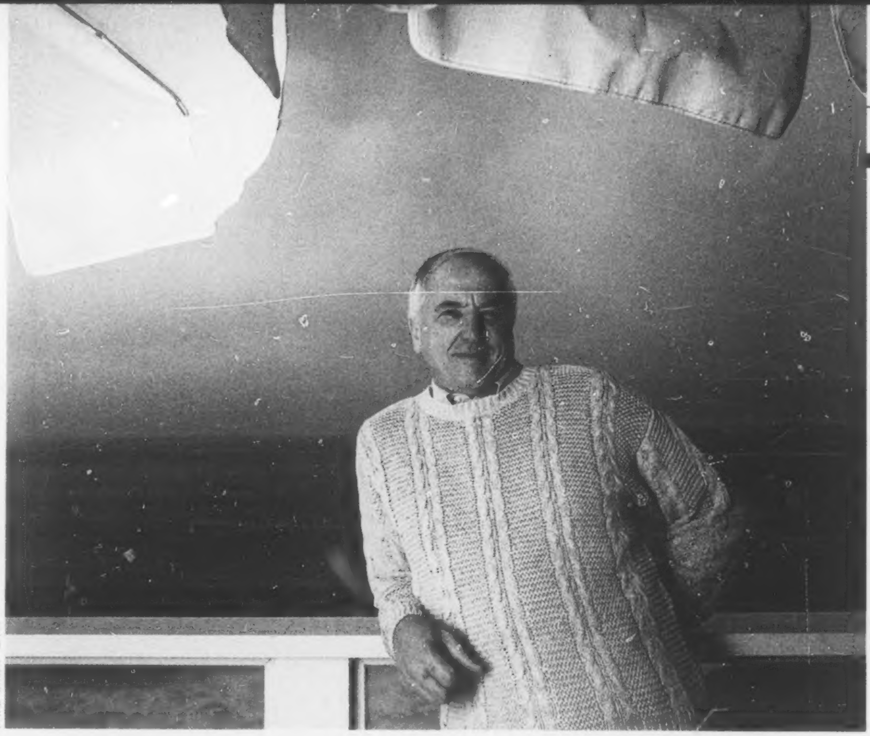
GEORGE KUFRIN—CLICK/CHICAGO

BARRY SULLIVAN, CHAIRMAN, FIRST CHICAGO

MARKET CAPITALIZATION

1980	1988
$622 MILLION	**$1.3** BILLION

Shedding low-return businesses and building a huge reserve against Latin loans are winning First Chicago support in the stock market. But it has a long way to go before anyone takes it for a superregional.



DAVID STRICK—ONYX

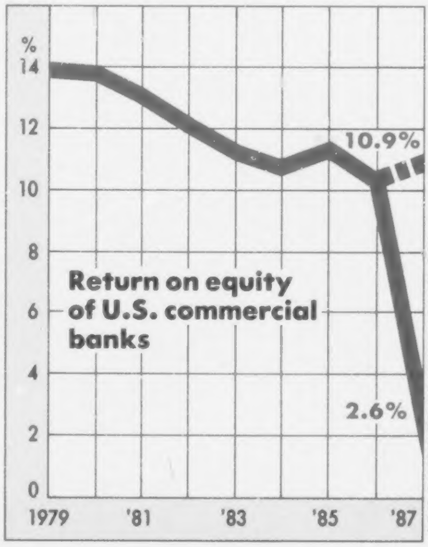
restructuring artist. As a manager, you should wind down or sell the 40% of the business that is dragging down your stock price."

Why aren't the major banks moving more swiftly in this direction? Because while writing off their $86 billion of loans to less developed countries would leave them in more profitable lines of business, it would also make them smaller, more attractive to raiders, and more vulnerable. "If the LDC debt went away tomorrow, I think most money center banks would be forced to restructure fairly aggressively because they would be sitting ducks if they didn't," says McCormick. "The reason they are not under attack now is that LDC debt is a wild card."

Managers of money center banks are in for some soul-searching. Where is the bank actually earning a decent return? What businesses are essential to its future? And how fast can the bank shrink and not be capsized by its LDC troubles? Such banks as Chase, Chemical, First Chicago, and Manufacturers Hanover have begun to address such questions and to take action: They are closing overseas branches, moving out of many low-profit businesses, and strengthening their profitable consumer and small-business lending. The question is whether they can move fast enough to survive.

"If you ask me, 'Are the money center banks going to become irrelevant?' I don't think so," says Chase's Labrecque. "If we look ahead five years, I think we're going to be looking at a different financial services landscape: I think we're going to find that the money center banks—the good ones—have restructured and are a hell of a competitor." Labrecque obviously has a bias. But he has been thinking about these matters for much of the past two years.

Chase's introspection began when its management ordered a study on whether the institution should give up its banking charter. Frustrated by the restrictions that keep banks out of insurance and investment banking, Chase explored the alternative—breaking the company into nonbank pieces that would be allowed into these businesses. As most observers expected, Chase decided not to abandon its charter, but the year-long review had an effect. "We are not shooting from the hip in 15 different directions," Labrecque says. "We're aimed at two places, and they are traditional lines of business."



SOURCE: FIRST MANHATTAN CONSULTING GROUP

Dwindling Returns

Last year's reserves against Latin loans slashed the profitability of U.S. commercial banks. Even without the one-time charges, returns would have been unimpressive (dotted line).

JOSEPH PINOLA, CEO, FIRST INTERSTATE BANK

MARKET CAPITALIZATION

1980	1988
$1.4 BILLION	**$1.9** BILLION

Working out the most dramatic restructuring attempted by a major bank is proving difficult. Investors are still troubled by First Interstate's problem loans and its operations in economically hard-hit oil states.

Chase has redefined what it wants to do in corporate and international banking. It has begun to avoid traditional, plain-vanilla lending to concentrate instead on complex credits, loans or financings that require better than usual analysis and judgment. Chase is also investing heavily outside New York in its second basic business, consumer financial services. It has been expanding its discount brokerage business, building a huge credit card operation, and buying savings and loans in Maryland and Ohio and converting them into banks. In overbanked New York City, meanwhile, the bank has closed 50 branches, probably with more to follow.

The restructuring is working, though Chase ran a loss last year after bolstering loan-loss reserves. Retail trade—serving individual consumers—provided a third of total profits last year, before taxes and the creation of the special LDC reserves. Cost cutting has eliminated 7,000 of the company's 49,000 employees. "I want to get this place back to 15% return on equity," Labrecque says. "We don't invest in anything anymore unless it can make it over that hurdle rate."

While Chase's moves have won a measure of respect from analysts on Wall Street, the company's stock price has hardly budged. Owing to the LDC discount, Chase's shares sell at a price that an insider describes as "a few cents above fire-sale liquidation value." One reason: Unlike some competitors, Chase refuses to commit to a long-term retreat from international banking. True, the bank has closed more than 100 overseas branches and pulled out of 13 countries. But it plans to keep offices in 56 others open, going up against giant banks from around the globe.

Though Chase has so much invested overseas it would be hard for it to completely

The Mighty Fallen

The table at right orders large commercial banks according to a risk indicator: the sum of problem loans (including those to less developed countries) as a percentage of the total of shareholders' equity and reserves for bad loans. The stock market has not failed to recognize which banks are in trouble or don't have sufficient reserves to cover LDC loan losses.

Banks ranked by risk indicator

	Bank holding company	City	Risk indicator	LDC coverage	Market/ book
1	Corestates Financial	Philadelphia	**10%**	**68%**	**153%**
2	First Union	Charlotte, N.C.	**12%**	**53%**	**138%**
3	Fleet/Norstar	Providence	**12%**	**72%**	**163%**
4	Barnett Banks	Jacksonville, Fla.	**12%**	**N.A.**	**158%**
5	Suntrust	Atlanta	**13%**	**21%**	**187%**
6	Banc One	Columbus, Ohio	**14%**	**67%**	**179%**
7	Sovran Financial	Norfolk, Va.	**15%**	**35%**	**164%**
8	First Wachovia	Winston-Salem, N.C.	**15%**	**36%**	**163%**
9	Bank of New England	Boston	**18%**	**66%**	**135%**
10	NBD	Detroit	**21%**	**50%***	**127%**
11	NCNB	Charlotte, N.C.	**22%**	**35%**	**116%**
12	PNC Financial	Pittsburgh	**30%**	**53%**	**172%**
13	National City	Cleveland	**31%**	**50%**	**144%**
14	First Fidelity	Newark, N.J.	**32%**	**51%**	**118%**
15	Norwest	Minneapolis	**34%**	**52%**	**126%**
16	First Bank System	Minneapolis	**38%**	**46%**	**106%**
17	Bank of New York	New York City	**47%**	**29%**	**91%**
18	Bank of Boston	Boston	**52%**	**55%**	**108%**
19	Security Pacific	Los Angeles	**68%**	**45%**	**113%**
20	Wells Fargo	San Francisco	**72%**	**31%**	**144%**
21	First Interstate	Los Angeles	**74%**	**45%**	**90%**
22	J.P. Morgan	New York City	**81%**	**25%***	**136%**
23	First Chicago	Chicago	**108%**	**37%**	**96%**
24	Bankers Trust	New York City	**109%**	**25%**	**95%**
25	Citicorp	New York City	**121%**	**25%**	**89%**
26	Irving Bank	New York City	**146%**	**28%**	**117%**
27	Chemical	New York City	**155%**	**24%**	**63%**
28	Chase Manhattan	New York City	**164%**	**23%**	**59%**
29	BankAmerica	New York City	**185%**	**20%**	**54%**
30	Manufacturers Hanover	New York City	**195%**	**22%**	**53%**

N.A. Company has no LDC loans. * FORTUNE estimate SOURCE: CATES BANKCOMPARE I REPORTS

The biggest banks of 1980

Market capitalization 12/31/80
in billions of dollars

1	BankAmerica	**$4.5**
2	Citicorp	**$3.0**
3	J.P. Morgan	**$2.0**
4	Chase Manhattan	**$1.6**
5	First Interstate	**$1.4**
6	Continental Illinois	**$1.2**
7	Manufacturers Hanover	**$1.1**
8	Texas Commerce	**$1.0**
9	Bankers Trust	**$1.0**
10	Security Pacific	**$1.0**

The biggest banks of 1988

Market capitalization 3/10/88
in billions of dollars

1	Citicorp	**$6.2**
2	J.P. Morgan	**$6.2**
3	PNC Financial	**$3.5**
4	Security Pacific	**$3.3**
5	Suntrust Banks	**$2.8**
6	Wells Fargo	**$2.7**
7	Banc One	**$2.7**
8	Bankers Trust	**$2.6**
9	Fleet/Norstar	**$2.4**
10	First Union	**$2.3**

abandon the international business, banks with less at stake find that possibility intriguing. The strategic planner at a money center figures: "If we announced tomorrow that we were selling our international branches, our stock would jump to 160% of book value."

ONE COMPANY that is listening closely to the stock market is First Chicago Corp., a money center bank well on its way to becoming a superregional. Though First Chicago won't get out of international banking entirely, Barry Sullivan, its chief executive, has let investors know he has no stomach for ever again making loans to foreign governments keyed to trade balances between their countries and the U.S. First Chicago participated in Mexico's recent program to swap debt for 20-year bonds backed by U.S. government securities because, Sullivan says, "We think it is important that the shareholder have the perception that long run we want to be out of that kind of game." Sullivan helped drive the point home late last year by raising First Chicago's reserve against loans to troubled Latin American debtors to around 40%, a significantly higher percentage than other large banks had set aside. With the LDC debt discount mostly gone, First Chicago's stock recently traded at just under book value—a respectable price for a big city bank.

The rest of the First Chicago story would delight proponents of restructuring. Sullivan has accepted the gospel of "value-based planning," the idea that firms should eliminate lines of business that don't help the stock price. He argues that his company is doing just that: "When I joined here in 1980, we were over 90% a corporate global bank," he says. "Today we're 70% global corporate and 30% superregional. Over time I'd like to get to a fifty-fifty split."

Shareholders should cheer him on, though it may be a while before they see the benefits. "Our superregional bank makes a 25% return on equity," Sullivan boasts. "If it were standing on its own, that would be the highest return on equity of any superregional in the U.S." What hides its success is the mediocre profitability of the rest of the bank, particularly its foreign operations. Even before last year's reserve for LDC loans, Sullivan says, First Chicago's other operations earned a mere 6% on equity.

Like Chase, First Chicago has been pulling out of marginally profitable businesses, pruning staff, and closing offices. In the third quarter of 1987, the bank shuttered many of its offices in Europe, taking a $38 million charge against earnings to cover the costs. More cuts may be in store this year because even after slashing costs, Sullivan says, "we're not sure the international side of the business can make 15% returns over time."

The company's growth is now coming in consumer and small-business lending, where profits are good, and in specialized U.S. corporate lending, such as financing leveraged buyouts, where Sullivan expects to make an 18% return on equity this year. If the stock market rewards First Chicago's efforts, driving up its share price relative to other Midwest banks, Sullivan will be able to join the rush to merge. He has his eye on large banks in adjoining states with strong business loan portfolios.

JOHN ABBOTT

THOMAS O'BRIEN, CEO, PNC FINANCIAL

MARKET CAPITALIZATION

1980	1988
$328 MILLION	**$3.6** BILLION

Buying good banks catapulted PNC from also-ran in Pittsburgh to top-25 standing in just five years. While further acquisitions may be too expensive to make now, O'Brien plans to keep his bank growing.

PERHAPS THE BOLDEST reorganization yet announced by a major bank came last September when First Interstate Bancorp of Los Angeles decided to stop trying to straddle the fence between being a money center and a superregional. With banks in 18 states, First Interstate already qualified as a superregional. To be less a money center bank, it closed foreign offices and got out of the business of lending to large corporate customers outside its regional base. It also focused its attention on five Western states, where the emphasis is on retail and small-business lending. The company spun off $2.8 billion of assets—including its LDC debt—into a separate subsidiary, where the loans are to be sold or worked out. Says Joseph Pinola, First Interstate's chief executive: "Now we're 75% superregional and 25% money center."

So far, though, the stock market has not awarded First Interstate any accolades. The market crashed two weeks after Pinola announced his plans to restructure, making it more difficult for him to sell assets. Some of his banks do business in such oil states as Texas, Oklahoma, and Colorado, whose economies are still suffering. First Interstate also has a nagging portfolio of problem real estate loans. As a result, investors continue to treat it like a troubled money center bank: Its stock sells at a steep discount to most superregionals.

What permitted First Interstate to attempt such an aggressive restructuring was its relatively strong capital position. Pinola took dramatic write-offs, but still ended up with equity capital equal to just under 4% of assets. Weaker banks cannot afford such steps if they hope to meet the capital guidelines proposed by bank regulators. Under those strictures, by 1992 banks will need minimum equity capital of about 4% of assets. Meeting that requirement will force many large banks, including perhaps all the money centers except J.P. Morgan and Bankers Trust, to sell stock to the public, perhaps at prices that will dilute the holdings of existing shareholders. As the table shows, the well-run superregionals have ample capital, few problem loans, and large reserves against losses—what analyst J. Richard Fredericks at Montgomery Securities calls "fortress balance sheets."

The only immediate glimmer of hope for hard-pressed money center banks is that the men who run the superregionals are a cautious, penny-pinching bunch. The pace of mergers is less rapid than many in the industry expected, in part, suggests Pinola, because superregionals are running out of large acquisition targets free of the money center taint. "The superregionals got to be among the banks with the top market capitalization because they didn't have any international loans and they didn't have any low-yielding, blockbuster, high-risk commercial credits that have gone broke," he says. "If they were smart enough to do that, why would they get in our business through acquisition?"

Not surprisingly, executives at many superregionals agree with Pinola. One of the largest and most admired of the superregional breed is PNC Financial Corp. of Pittsburgh, by market value the third-largest banking company in the U.S., just behind Citicorp and J.P. Morgan. If the name sounds unfamiliar, don't be surprised. A decade ago PNC, then called Pittsburgh National, was a well-managed bank of middling size that specialized in lending to small businesses.

Since 1983, PNC has acquired five very profitable banks in Pennsylvania and nearby states. PNC's climb set it among the nation's 25 largest banking companies in assets. It is still growing. Whether PNC buys another bank or not, its chief executive, Thomas O'Brien, expects the company's assets to grow about 10% a year for the foreseeable future, down from the 15% a year in the early 1980s, but still fast enough to keep gaining on the money centers.

continued

ANDY FREEBERG

JOHN McCOY, CHAIRMAN, BANC ONE

MARKET CAPITALIZATION

1980	1988
$407 MILLION	**$3.2** BILLION

Investors learned to love Rust Belt banks when McCoy showed he could transform mediocre banks into world beaters. A portrait of his father, formerly chief executive of the bank, watches over his efforts.

For all of PNC's go-go growth, O'Brien sounds downright conservative: "People ask, 'What are you going to do next?' Well, we're going to manage what we have." He hopes to build or buy banks in neighboring New Jersey and Maryland but thinks that prices are too high for now. "They may never come down enough for us to go in there," he says. "We're not going to force our way in at massive costs to shareholders."

Superregionals have not been the only banks to successfully consolidate their positions through combination. Over the past 2½ years, Carl Reichardt of Wells Fargo has completed three strikingly successful mergers, all within the confines of California. The largest of deals, the acquisition of Crocker National Corp. from Midland Banks of London, was the best. Not only did the purchase nearly double Wells Fargo's size, it came with no bad international debt—Midland swallowed that—and at a rock-bottom price, just about book value.

The merger has worked superbly, thanks largely to Reichardt's ruthless elimination of employees and branches. He closed most of Crocker's international offices, just as he had closed Wells Fargo's overseas offices a few years earlier. After streamlining the California branch system of the two banks, he ended up with an average of more than $100 million in deposits per branch—more than any other bank in the state. Sounding more like a retailer than a banker, Reichardt brags that his "sales per square foot" make him one of the most efficient operators in the business.

MOST BANKERS expect more big mergers along the line of the combination of Crocker and Wells, especially now that people like Reichardt have proved how economical they can be. "You get more bang for the buck where you have overlapping systems," he says. "Our view is that the action is going to be in the constant acquisition of these inefficient operators and a lowering of their expense ratios to efficient levels. It doesn't take a space scientist to do that."

Not all bankers—even good ones—have the stomach for such deals. Says O'Brien of PNC: "I personally don't like the idea of taking a bank and putting 2,000 people out in the street in the name of efficiency." But what fuels much of the bank merger binge is a spreading perception that you can both grow and make money by rationalizing operations.

The best-run superregionals share one overriding characteristic—an ability to run low-cost, efficient banking operations. Banc One, for example, has made a bundle turning small, not particularly well-managed Midwest banks into highly profitable institutions. The Columbus, Ohio, company buys a bank, streamlines its data processing, sheds unprofitable customers, puts in strong financial controls, and shortly has an institution that is earning a nifty 1% or more on assets. The holding company last year produced a return on equity of around 11%, but this reflected a big addition to its reserve against loans to Latin America. Without the reserve, Banc One would have posted a return on equity of nearly 18%.

Few superregionals are in a rush to build a nationwide bank, and Banc One's slow but steady expansion plan is typical. "We're a little bit like McDonald's was 30 years or so ago," says John B. McCoy, Banc One's chairman. "It doesn't make sense to open a stand 5,000 miles away. We'll own about 62 banks by the end of the year; there are 14,000 left."

Of late, the pace of large interstate mergers has slowed. For one thing, the stock market crash made deals for stock less appealing. Another reason, say bankers, is that mergers of companies of nearly equal size across state boundaries are beginning to test the managerial skills of superregional executives. First Union Corp., a North Carolina bank on the fast track, saw its results flag after a string of acquisitions. So did First Wachovia Corp., another North Carolina bank, following the combination of Wachovia Corp. and First National Corp. Many of these banks now talk cautiously about the future. John Medlin, chief executive at First Wachovia, says he'll probably spend the next ten years gradually expanding through the rest of the Southeast.

Ten years is long enough for the balance of power in the industry to shift once more. Some bankers in New York predict tough times ahead for the superregionals. The critics' strongest argument is that the profitability of the superregionals' best lines of business—lending to consumers and medium-size businesses—is likely to decline. With so many money center banks getting into the fray, price wars are likely. Credit card interest rates have already softened. But even if the superregionals do run into trouble, it seems unlikely that the money center banks will regain their dominant position. While the big money center banks restructure to cope with one wave of deregulation, Washington is preparing the next. This time Congress looks ready to tear down the barriers between commercial and investment banking, a step likely to fuel a new round of consolidations and price wars. Welcome to banking's brave new world. ■

REDRAWING THE LINE ON DEFENSE

Are U.S. forces stretched too thin in trying to protect so much of the world? Probably not, but it is time for America's allies to pick up more of the burden.

■ *by Lee Smith*

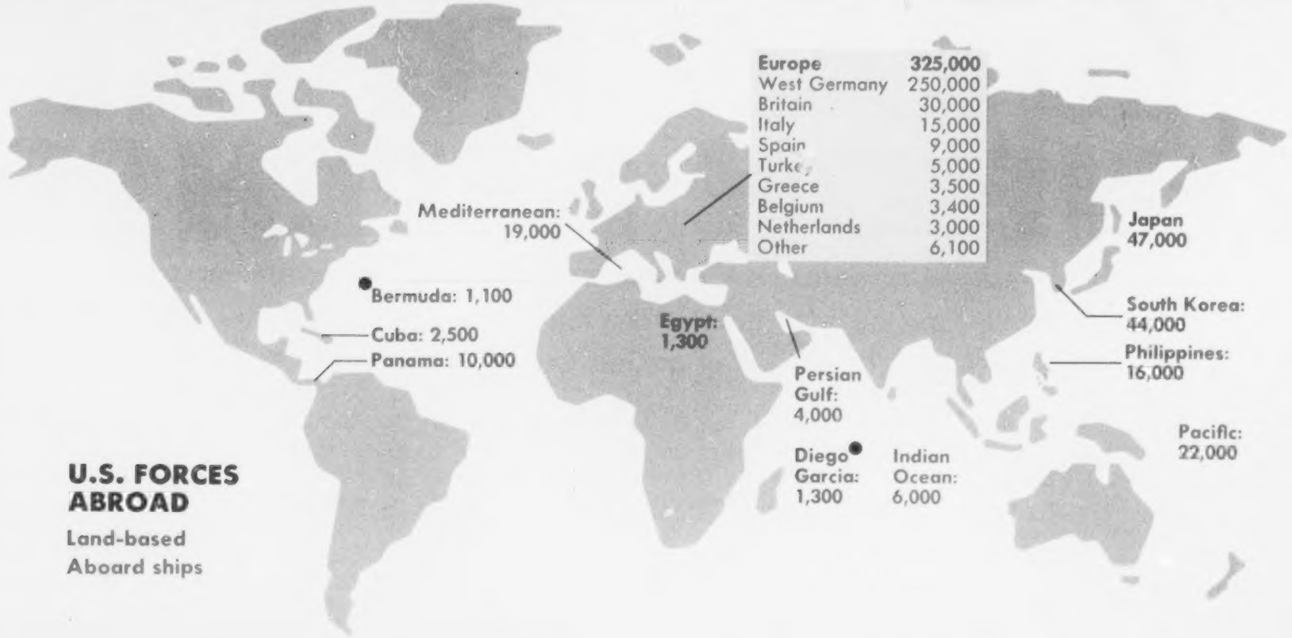
THE ANGER-ANXIETY index is surging again, as it has periodically for as long as the U.S. has stationed troops overseas. Congressional critics of U.S. defense policy complain impatiently, sometimes bitterly, that after 40 years it is time for Europe to do more to defend itself. Even moderates in Congress are in a mood to cut defense spending, no matter who is in the White House next year. The Pentagon will have to find the money somewhere. So this is a good time to take a hard look at America's world-girdling forces. Should the U.S. bring some of the boys and girls home?

The question has to be considered in light of another: What are we defending against? The basic U.S. commitment overseas is unchanged. It is to contain the power of the Soviet Union and its allies, to keep shipping lanes open, and to protect oil and gas fields in the Middle East. The U.S. keeps 500,000 troops abroad, about a quarter of its total force, and more than the British empire's at its zenith. It has pledged to defend 47 nations, from the tiny island states of Micronesia to mighty Japan and West Germany. A 15-ship task force patrols the Persian Gulf in the crossfire of the Iran-Iraq war. In March, 3,200 U.S. soldiers dropped into Honduras to face down Nicaragua.

continued

Pledged to defend 47 nations, *the U.S. watches over the Pacific from Clark air base in the Philippines, where this grimacing F-4 waits for action.*

PETER CHARLESWORTH—CONTACT


Europe 325,000
West Germany 250,000
Britain 30,000
Italy 15,000
Spain 9,000
Turkey 5,000
Greece 3,500
Belgium 3,400
Netherlands 3,000
Other 6,100
Mediterranean: 19,000
Bermuda: 1,100
Cuba: 2,500
Panama: 10,000
Egypt: 1,300
Persian Gulf: 4,000
Diego Garcia: 1,300
Indian Ocean: 6,000
Japan 47,000
South Korea: 44,000
Philippines: 16,000
Pacific: 22,000
U.S. FORCES ABROAD
Land-based
Aboard ships

A Worldwide Reach for U.S. Forces

The 500,000 U.S. troops abroad fall into three categories: Western Europe, the Pacific, and everywhere else. The biggest—and costliest—concentration is in Western Europe, which takes 43% of the total defense budget. The 325,000 troops in Europe are matched by nearly that many wives and children, who must be educated and entertained. Defending the Pacific takes just 14% of the budget, partly because troops rotate into South Korea for six months, leaving their families behind. The everywhere-else category includes Latin America and the Middle East, but costs relatively little.

But if the mission has remained the same, the economics have not. Policymakers and scholars with a long forward—and backward—view worry increasingly that America's military reach is exceeding its economic grasp, a concern brilliantly discussed in Yale professor Paul Kennedy's cerebral best-seller, *The Rise and Fall of the Great Powers.*

For the past 500 years, Kennedy argues, when military ambition tried to hold on after economic power dwindled, collapse followed. As one example, he points to the Hapsburgs of the Holy Roman Empire, who also ruled Spain, the Netherlands, and half of Italy in the 16th century. To protect their interests, they employed a large army, borrowed heavily to support it, and ran a big trade deficit. By the 18th century the Hapsburgs were in irreversible decline.

The contemporary parallels are obvious. Since the early 1950s the U.S. share of total world output has shrunk from 45% to 30%, and the country is straining under those notorious budget and trade deficits, expected to amount to $150 billion and $155 billion, respectively, this year. At the same time, America's allies have grown richer while still contributing much less than the U.S. to the common defense. Harvard political scientist Samuel P. Huntington recently toted up some figures that put it succinctly: The U.S. accounted for 47% of the total economic product of NATO nations plus Japan in 1985, yet paid 70% of the defense bill; with less than a third of the allied population, the U.S. mustered 40% of armed service personnel.

Still, history provides warnings, not templates for the future. There are important differences between the U.S. and the Hapsburgs, who had to oppose the rising British, Dutch, and French. By contrast, the U.S.'s chief rival, the Soviet Union, is a far more desperate victim than the U.S. of what Kennedy calls "imperial overstretch."

Prospects for persuading the Soviets to cut back their troops in Europe are better than they have been in a long time. In the early 1980s, after Russian forces surged into Afghanistan, Pentagon planners worried that they could easily push on to the oil fields of Iran. Now the chances of those soldiers moving anywhere but back home are remote. Says Jeffrey Record, a scholar at the Hudson Institute: "If the Soviets couldn't control 12 million Af-

BRAD MARKEL

Rookie Defense Secretary *Frank Carlucci struggles with Congress.*

ARNOLD MEISNER—DEFENSE IMAGE

HARRY BENSON

RUDI MEISEL—VISUM

From Berlin *(above), where American soldiers patrol the wall, to the villages of the Netherlands (far left), U.S. military power is a commanding presence in Europe. So are American kids (left), who go along in such numbers that bases look like suburbia U.S.A.*

ghans, think of the fun they'd have with 45 million Iranians."

For a while at least, the Soviets seem on the defensive, turned inward to tend a failing economy and less able to stir up synchronized trouble. That has appreciably lowered the worldwide weight of U.S. commitments. It also creates a great opportunity for the next President. Just as Ronald Reagan set a goal of reducing strategic nuclear weapons by 50%, the man elected next November would be wise to pledge to reduce America's conventional forces in Europe by about that amount *if* the Soviets make a comparable reduction.

The presidential candidates, however, are taking the opposite approach. In answer to questions from FORTUNE, Vice President George Bush and Massachusetts Governor Michael Dukakis both stressed the importance of strengthening conventional forces in Europe, especially after the treaty banning short- and intermediate-range nuclear weapons. Tennessee Senator Albert Gore Jr., who is a defense expert, said NATO allies would have to bear more of the burden for Europe's defense, but he didn't suggest a cutback in U.S. forces.

REPORTER ASSOCIATE *Julianne Slovak*

The notion that NATO will have to add a lot of nonnuclear muscle as a result of the INF agreement is based on the widely held assumption that the Warsaw Pact has overwhelming superiority in conventional forces. John Steinbruner, director of foreign policy studies at the Brookings Institution, argues that even though the Warsaw Pact outnumbers NATO by about 1.6 to 1, that still amounts to rough parity if you assume that Warsaw Pact forces would be on the attack. By most estimates, an attacker needs at least a 2 to 1 margin. Says Steinbruner: "They don't have enough troops to sustain an attack and hold territory."

THE SOVIETS and their allies do have more tanks, though many are old. The NATO air force is also smaller than the Warsaw Pact's, but it is a decade ahead in technology. U.S. planes flown by Israelis have vaporized Syrian-piloted MiGs. On top of that, the Soviets undoubtedly puzzle over the reliability of the Poles and other allies.

The problem is not that the U.S. has made too many promises, but that it backs them up too lavishly with too many troops, supported by stupendously expensive planes and ships. Defense Secretary Frank Carlucci has started to whittle away. To bring the 1989 defense budget down $33 billion, to $300 billion, he has asked Congress to get rid of three of the Air Force's 38 tactical wings. It would then need 220 fewer planes and 23,000 fewer men and women. The Army would discharge 8,600 soldiers.

The Navy would have to retire 16 frigates and probably a couple of old aircraft carriers, which would delay the service's goal of a 600-ship Navy built around a core of 15 carriers. Navy Secretary James Webb threw a temper tantrum and quit. Carlucci shrugged it off. Says he: "It's no good having 600 ships if you can't afford to man them."

More to the point, the 568 ships, including 14 carriers, are probably enough to protect sea lanes and project power. The Soviet navy, with 1,070 ships, is hardly an insignificant opponent. But numbers alone can be misleading. Many of the Soviet ships are small, and the total includes coastal patrol boats. The U.S. does not count its Coast Guard, which is part of the Department of Transportation. With 66 ships, the Coast

Guard ranks as the world's fifth-largest navy.

Even after Carlucci's efforts, the next Administration will be under pressure to reduce forces even more. Carlucci assumes the Pentagon will be allowed real spending growth of 2% a year for the next five years. More likely, to reduce the budget deficit, Congress will keep defense spending flat.

Western Europe, where two-thirds of all U.S. forces abroad are stationed, consumes the largest share of dollars by far. The Pentagon doesn't break out spending by region, so the amount can only be estimated. Some congressional advocates of troop withdrawals from Europe claim that Europe eats up as much as 60% of the total defense budget, or $180 billion. A less politically charged figure comes from Earl C. Ravenal, a Georgetown University professor who was a Pentagon official during the Vietnam war. He calculates that the U.S. spends $133 billion a year on NATO, or about 43% of the budget.

KIM NEWTON—WOODFIN CAMP

At the DMZ *the armistice is still tense.*

By focusing only on comparative spending, Americans overrate the sacrifice they make for defense and underrate Europe's contribution. In the U.S., 6.7% of GNP goes for defense, vs. 4.2% in France and 3.4% in West Germany. But France and West Germany also have a military draft. Young Europeans pay in time as young Americans do not. Moreover, protecting Europe is not a selfless act by the U.S. Europeans like to point out, with a touch of gallows humor, that they provide the battlefield for what amounts to the American front line against the Soviet Union.

Still, America's commitment to Europe in hardware and personnel is huge. Half the Army's troops, about 400,000 soldiers, are trained and equipped for one basic mission: to fight on the plains of central Europe in tanks or armored vehicles. Some 200,000 troops are actually in Europe, with the rest stationed around the U.S. The tanks and guns for the U.S. troops are stashed in warehouses in West Germany and other NATO countries. The plan is that in war, the troops would be flown to Europe in commandeered commercial 747s.

THE AIR FORCE has 900 planes in Europe, about a third of NATO's total air power. The bases are in West Germany, Britain, and Spain, though the last mentioned will be closed in 1991 at the insistence of the Spanish government. In industry, higher technology often means fewer workers. In the military it seems to

Welcome to Korea: *A special forces paratrooper from Fort Lewis, Washington, who just dropped in, gets a taste of home from a Korean woman.*

SGT. TONY LAMBERT—U.S. AIR FORCE

HYUNGWON KANG

TV in Korea: *Nothing is spared to make the troops feel as if they're back home watching the tube.*

be the other way around. The more sophisticated the equipment, the more people needed to keep it running. At the Torrejon base outside Madrid, for instance, 2,800 people, excluding civilian employees, maintain and fly just 72 F16s. The military payroll alone is close to $100 million a year, or $1.4 million per plane. Together, the Atlantic and Mediterranean fleets number more than 300 ships, including eight aircraft carriers, with up to 90 planes each. And like the Air Force the Navy is both capital- and labor-intensive. It takes a crew of 6,000 to operate a $3 billion carrier.

Accompanying the troops in Europe are more than 300,000 spouses and children. The area around U.S. bases in West Germany is a sort of armed suburbia, complete with U.S.-provided garden apartments off base, car dealers from whom the troops can buy without paying local taxes, movie theaters, television stations, schools, and country clubs.

Evacuating the civilians during a crisis would undoubtedly jam the transportation system. The plan is that 747s would fly round trips, dependents out and soldiers in, though such a vast operation would hardly go smoothly. Probably families should stay home, with troops rotated in and out of Europe on relatively short stints, as is done in South Korea. Not only would that be a more realistic approach to the logistics problem should war come in Europe, but it would save considerable money in infrastructure and moving costs.

David Calleo, director of European studies at the Johns Hopkins School of Advanced International Studies, would phase out the 200,000 backup troops in the U.S. He doubts they could get to the fight in time, as does Georgia Senator Sam Nunn, chairman of the Armed Services Committee. Says Nunn: "To pretend that we are going to be able to transport large tank divisions in an emergency is ridiculous." For that reason, Calleo notes, NATO doesn't count them in its planning. The Congressional Budget Office estimates that for every 100,000 troops discharged, the Army would save—after some mustering-out costs—$5 billion a year in pay, training, housing, and such. So the Calleo plan saves $10 billion annually.

BUT REDUCING TROOPS without a comparable move by the Soviet Union makes no sense. An alternate plan suggested by Lawrence Korb, assistant secretary of defense for manpower from 1981 to 1985, would save the same amount of money and could be used as leverage to get the Soviets to cut back as well. The U.S. would drop 100,000 soldiers in Europe and 100,000 in the U.S. In exchange, the Soviets would have to agree to reduce their ground forces in Europe by half as well, and remove half their 50,000 tanks. The allies would have to agree, of course. And the Soviets would undoubtedly demand that the U.S. remove some of its fearsome planes. Carlucci is doing that anyway. He is disbanding the air wing in Spain, even though Italy offered a base for it there.

Pulling back a little, the U.S. would not only put its budget in better order, but also allow a more natural European leadership to evolve. Former German Chancellor Helmut Schmidt, for one, worries that the European

High school in Frankfurt: *For these children of GIs, science class has an American style.*

RUDI MEISEL—VISUM

dependency on the U.S. has corrupted both parties. The obvious bulwark in Europe is the West German army of 450,000, with another 1.5 million in the reserves, and the French army of 296,000. Although France declines to put its troops under NATO command, France and West Germany are beginning to work together. They have even created a joint brigade.

The Pacific is a much smaller drain on U.S. resources than Europe. There are 130,000 U.S. troops in Asia, backed up by 25,000 at Fort Lewis, Washington, and 60,000 in Hawaii, plus 240 ships, including five aircraft carriers, and 320 land-based planes. Georgetown's professor Ravenal reckons the cost of guarding the Pacific at $42 billion a year, about 14% of the total defense budget.

Sunset ends the day *for these Marines in the Philippines. But it's morning in Europe.*

U.S. forces should stay there, at least for now. More trade now crosses the Pacific than the Atlantic, so the region is more important than ever, and still unstable. North Korea's leader, Kim Il Sung, continues to be murderously hostile to the South. A few years ago his agents detonated a bomb beneath a reviewing stand in Rangoon where South Korea's then President Chun Doo Hwan was being welcomed by Burmese officials. Chun survived, but four members of his cabinet were killed. More recently North Korean agents blew up a Korean Airlines plane in flight, killing 115. If the U.S. were to pull out its 31,000 soldiers and 135 tactical fighters from South Korea, Kim's armies might well make a dash for Seoul, the country's capital for 600 years.

When President Carter tried to withdraw the troops a dozen years ago, he alarmed not only the South Koreans but also the Japanese, who sensed that power in the Pacific was about to tip toward the Communists. If the U.S. were to leave Korea, the Japanese might be tempted to strike a deal with the Soviet Union or the Chinese.

The only major change the U.S. should urge in Asia is that the Japanese contribute more of the cost of their own defense. Japan's postwar constitution renounces war as an instrument of foreign policy, but it places no restriction on what the country may spend on defense. Since the 1950s, governments have traditionally limited defense appropriations to about 1% of GNP. Last year that came to $24 billion, a little more than half what the U.S. spends in the region.

No one wants Japan to become a military power. The Chinese, Koreans, Filipinos, and other neighbors with vivid memories of World War II would be in an uproar if the Japanese were to mobilize a sizable land force. Nor should the U.S. want a bigger Japanese air force, which consists mostly of F-4s and F-15s, made in Japan under license from McDonnell Douglas. The Japanese have already toyed with the idea of producing their own fighters, then backed off under U.S. pressure. If they were asked to expand the force substantially, they probably would insist on building planes, creating a new competitor for U.S. aerospace companies. The Japanese navy could add a few more sub-hunting planes and patrol boats. But since the U.S. Navy easily outguns the Soviets in that part of the world, there is no pressing need for the Japanese to supply more naval firepower.

So what should Japan do? Pay more, simply put. At the very least, Tokyo should take over the whole payroll for the tens of thousands of Japanese civilians who work at the 32 U.S. bases in Japan, not just a portion as they do now. The cost has rocketed with the rise of the yen to about $7.1 billion annually, with the Japanese providing about $2.5 billion. Senator John Glenn thinks the Japanese should also meet part of the cruising expenses of the Seventh Fleet.

FOR GOOD REASON the U.S. does not want to lower its overhead in the Pacific by removing its wing of 78 planes from Clark Air Force Base and especially not by closing the Subic Bay naval base, both in the Philippines. The government of President Corazon Aquino is talking about expelling the U.S. if it insists on berthing ships that carry nuclear weapons. The U.S. declined to make concessions to New Zealand on that issue and as a result no longer has a defense treaty with Wellington, a rare instance in which the U.S. has discarded a responsibility.

Presumably Washington would not yield to Manila either. Those bases are part of a network that stretches from San Diego through Pearl Harbor, Guam, Yokosuka in Japan, and out to Diego Garcia in the Indian Ocean. Ships on their way to the Persian Gulf, for example, routinely stop at Subic for supplies and repairs.

The problem for the U.S. is not where to make a stand. The map of its worldwide commitments was drawn long ago and has not changed. But the U.S. does have to alter some of the expensive ways it has carried out those commitments. It has to think about what it can afford to do, not just what it wants to do. Fortunately the Soviets are stretched even more than the U.S. and thus are more restricted in how they play their own global role. The U.S. has to rearrange its line of defense to make it more efficient, more responsive to real threats. That is not retreat.

BY ANDREW EVAN SERWER

THREE CHEERS FOR SMOKESTACK STOCKS

Just about the only winners among the FORTUNE 500 last year, they still look like good bets.

■ Though industrial America celebrates its most profitable year ever, not many stockholders are joining the festivities. Sales for the FORTUNE 500 rose 9%, and profits streaked ahead 41%. But shares of these companies, albeit partly recovered from the October crash, were down 5.5% on average in the 12 months ended March 15.

The good news was entirely in basic industry, where the dollar's drop has brought a renaissance to companies turning out metals and machinery. Not even Meltdown Monday could turn these stocks into losers. Wall Street analysts expect some of the same stocks to stay hot this year. A few investment strategists also expect certain of last year's laggards, particularly shares of some technology and consumer goods companies, to show new life.

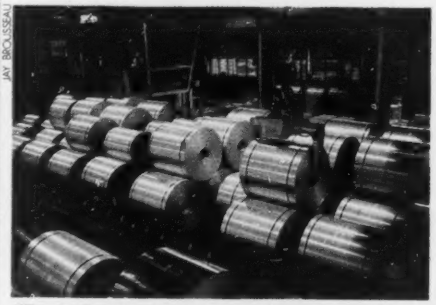
Metal stocks zoomed from the cellar position in last year's standings to the very top this year. Paced by such companies as **Bethlehem Steel**, whose shares tripled in value, the group blasted ahead 9.2% on average. "Some of these companies were at death's door," says Peter Anker, First Boston's metals analyst. "They have done a remarkable job of making themselves competitive again." Aluminum and copper producers also shone, and many analysts think their stocks will be this year's leaders because prices for both metals have soared to the highest levels in years. Vahid Fathi of Cleveland's Prescott Ball & Turben recommends aluminum maker **Reynolds Metals** and, among copper producers, **Phelps Dodge** and **Asarco**.

Takeovers, the low dollar, and an easing of America's farmland recession helped industrial and farm equipment stocks roll ahead 7.7%, good enough to put the group in second place. Recent bids for **American Standard** and **Roper** pushed their shares up over 50%. **Caterpillar**'s huge overseas business went into overdrive last year. Earnings increased more than threefold, and Cat's shares chugged ahead almost 40%. **Deere**'s tractors finally started selling again in the heartland as farmers' balance sheets im-

WINNERS AND LOSERS

THE FORTUNE 500

INDUSTRY	AVERAGE STOCK PRICE CHANGE 12 months to March 15
Metals	9.2%
Industrial, farm equipment	7.7%
Mining, crude oil production	7.1%
Rubber products	6.6%
Metal products	3.2%
Chemicals	2.2%
Transportation equipment	−0.6%
Petroleum refining	−1.2%
Tobacco	−1.2%
Building materials	−4.7%
Soaps, cosmetics	−4.7%
Publishing, printing	−5.1%
Food	−5.1%
Scientific and photographic equipment	−7.1%
Pharmaceuticals	−7.6%
Electronics	−7.8%
Textiles	−8.3%
Furniture	−10.1%
Motor vehicles and parts	−12.0%
Forest products	−12.2%
Beverages	−15.9%
Computers, office equipment	−16.1%
Aerospace	−18.7%
Apparel	−20.5%
Toys, sporting goods	−51.3%



JAY BROUSSEAU

The stocks of metal producers have become the pacesetters among FORTUNE *500 industry groups. Good times have returned to the aluminum industry, whose orders are way up. In the picture above are coils of aluminum at a Reynolds Metals mill near Hot Springs, Arkansas. Over the past year the company's shares rose by a lustrous 59%.*

proved. Charles Harris of Oppenheimer & Co., who recommends the stock, expects Deere to sell at least 10% more farm equipment this year than last. After a loss in 1987, he says, the company will earn $3.75 to $4 a share this year.

Mining companies owe their stock market success to the feeble greenback, robust commodity prices, and restructuring. "Iron ore's comeback benefited producers like **Cleveland-Cliffs** tremendously," says First Boston's Anker. Meanwhile, Britain's Beazer PLC made a takeover bid for **Koppers**, whose shares are up almost 60%.

Rubber producers' earnings bounced up nearly 50% last year, notes Donald DeScenza of Nomura Securities, and the stocks responded. Bridgestone agreed to buy control of **Firestone Tire & Rubber**, which helped inflate its shares almost 80%, far ahead of the group. **Goodyear Tire & Rubber**, up 17% over the past 12 months, cleaned house by selling off its aerospace, metal-fabricating, oil and gas, and real estate holdings. It used the proceeds to repurchase 40 million shares, which partly explains its 185% jump in earnings per share. DeScenza, who recommends Goodyear and **Cooper Tire & Rubber**, thinks strong demand will keep rubber companies burning up the track this year.

The outlook is far different for toy stocks. They have declined two years in a row, and in the latest 12 months were way to the rear, with a 51.3% average decline. For the second straight Christmas, toymakers could not come up with another blockbuster like the Cabbage Patch Kids. Meanwhile, overhead costs increased, and **Coleco Industries** and **Mattel** ended up with huge losses. Aerospace stocks also lost altitude for the second straight year. Analysts expect little life in this group, since the big military buildup has wound down.

Apparel stocks, second from last in the derby, may present a few investment opportunities. Merrill Lynch analyst Brenda Gall notes that **Liz Claiborne**, down 43% last year, sells for only 11 times her 1988 earnings estimate of $1.40 to $1.50. Gall expects earnings per share to rise at least 15% annually over the next several years and considers the stock a buy.

THE FORTUNE 500 VS. THE MARKET
12-month change through March 15, 1988

FORTUNE 500	–5.5%
S&P 500	–8.2%
Dow Jones industrials	–9.4%
Wilshire 5000	–9.8%
OTC composite	–12.8%
Value Line 1700	–13.9%

Major market indexes, particularly those dominated by small stocks, were more roughed up by the crash than the FORTUNE *500.*

Other stocks that were sleepers last year could wake up too. Abby J. Cohen, chief investment policy analyst for Drexel Burnham Lambert, believes outlays for capital equipment will increase at least 10% this year. She prefers stocks that will benefit from this spending spree, especially high-tech issues like **IBM** and **NCR**. Both sell at price/earnings multiples well below the market's.

Both Cohen and Carmine Grigoli, chief equity strategist at First Boston, like selected consumer stocks. **Philip Morris** and **Borden** are on Grigoli's recommended list, while Cohen considers **Johnson & Johnson** and **Ralston Purina** buys. Of the four, only Philip Morris's shares rose over the past 12 months. But who knows what 1988 will bring? Next year owners of these stocks could be the ones throwing the party.

A Macho Fund Makes a Little Money

■ A year ago investors with a sense of adventure—and a minimum of $100,000—poured $500 million into Shearson Lehman's new **Multiple Opportunity Fund**. Organized as an open-ended partnership, MOP gave its managers a broad charter to show off their wizardry. They could trade futures contracts, for example, buy and sell puts and calls, and invest in foreign and domestic stocks and bonds.

Their goals included beating Standard & Poor's 500-stock index, which they did. Total return for the 12½ months through March 31 was 1.94% after deducting stiff management fees that eat up 3% of the fund's average assets per year. Not too bad, considering that the S&P 500, counting reinvested dividends, was down about 7% for the same period. But anyone buying a one-year Treasury bill could have earned 6% with none of MOP's considerable risks.

The fund's managers clearly missed their second goal: never to miss "a big one." Like, say, making a killing on a 500-point drop in the Dow Jones industrial average, a dive in the bond market, or a collapse in foreign stock prices. "It was kind of a tough year," says MOP portfolio manager Michael Sherman, who is also Shearson's chief investment strategist. "We feel happy that the original capital is intact."

The managers moved mountains to keep it that way. In late summer they were heavily invested in stocks and were long in futures and options on the S&P index. After Shearson turned bearish in August, they sold off $180 million in stock—two-thirds of their equity position—and went into some of their fanciest footwork. They liquidated many of their long futures positions and sold futures short, thereby hedging against their remaining long positions in options and equities.

On Black Monday the fund was fairly well hedged except for sizable holdings in foreign stocks. "We lost money on our outright stock positions, but we made more than we lost on S&P futures," says Sherman. In the week of the crash the net asset value of MOP shares, originally offered at $50, went up 6%, to $53. It fell to a low of $49 two weeks later, following aftershocks in foreign securities, and recently closed right back at $50. In mid-March investors also received a cash distribution of 97 cents per share, which put them slightly ahead.

The fund managers proved they can preserve capital and tap-dance safely through a market earthquake. But is the meager return worth the effort? Says Sherman: "We did it the hard way. We were losing money and making it elsewhere, and basically running around like crazy doing quite aggressive investing. But we couldn't make a lot doing it."

Maybe in a different market they will. The fund was fully invested at the end of March, with 25% in bonds, 63% in U.S. equities (mostly capital goods industries), and 12% in foreign equities. The fund's investors, who

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This year, in tracking the 500's stock performance for the second time, FORTUNE has altered its methodology. The data are based entirely on companies in this year's list; previously the comparison was between the stocks of the latest 500 and the previous year's.

REPORTER ASSOCIATE *Constance A. Gustke*

FORTUNE

THE FORTUNE
500

CONTENTS

THE GOOD TIMES FINALLY ROLL D1
THE FORTUNE 500 LARGEST INDUSTRIAL CORPORATIONS D11
DEFINITIONS, EXPLANATIONS, AND NOTES TO THE 500 D33
ARRIVALS, DEPARTURES, AND MONEY LOSERS D34
THE 500 RANKED WITHIN INDUSTRIES D37
INDUSTRY MEDIANS D57
INDUSTRY TOTALS D58
ALPHABETICAL INDEX TO THE FORTUNE 500 D59

THE FORTUNE 500
LARGEST U.S. INDUSTRIAL CORPORATIONS

THE GOOD TIMES FINALLY ROLL

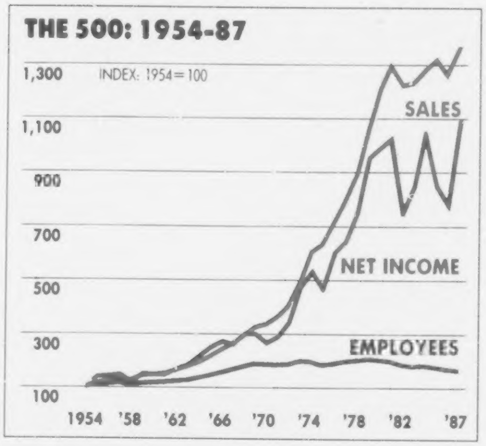
▼ *A service economy still needs its manufacturers. In South Mountain, California, earth stations made by Harris (No. 187) and Scientific-Atlanta (483) track the satellites of GE's American Communications subsidiary.*

ACROSS THE Rust Belt you can hear the sound of champagne corks popping and beer cans shpritzing open: The FORTUNE 500 had its best year ever in 1987. After half a decade of sitting on the sidelines while the rest of the economy boogied, the biggest U.S. industrial corporations waltzed into the Great American Profit Party with record sales and earnings. Unfazed by the stock market crash that left many people expecting a recession, the 500's total sales climbed 9% to $1.88 trillion, up from $1.72 trillion the year before and higher than the previous record of $1.81 trillion set in 1985. But the truly impressive jump was in profits, which exploded from $64 billion to $91 billion, a 41% increase—enough to power the 500 to its biggest share ever of U.S. industry's profits (see Managing). The glow of plants running flat out through the night may be the light at the end of the tunnel for industrial America.

What broke the dam for this torrent of prosperity? The long expansion, which entered its fifth year with consumers still spending freely. Restructuring, which slimmed down bloated work forces (the 500's employment fell by 300,000 last year, to 13.1 million) and redirected corporate resources to more efficient uses. And increasingly as the year wore on, the weak dollar. Imports remain strong—Americans hate to give up their Sonys and Toyotas, even if they are a tad more expensive. But yen and deutsche marks that buy twice as much as they did three years ago have restored the allure abroad of

▶ *In a comeback year, sales of the 500 got back on track, and profit gains were the steepest since the recovery from the 1982 recession. The number of people employed by the 500 continued to decline.*

▶ *Reaping the fruits of restructuring and fortified by the strong dollar, the 500 gained by virtually every measure. The only downer: returns to investors, savaged by the market crash.*



THE 500: 1954-87

THE 500: 1987 vs. 1986

	1987	1986
SALES (billions)	$1,879.5	$1,723.6
CHANGE IN SALES	9.1%	−4.6%
PROFITS (billions)	$90.6	$64.1
CHANGE IN PROFITS	41.3%	−7.9%
ASSETS (billions)	$1,705.7	$1,560.8
NUMBER OF SALES INCREASES	415	327
NUMBER OF PROFIT INCREASES	313	251
NUMBER OF MONEY LOSERS	48	72
MEDIAN RETURN ON SALES	4.6%	4.1%
MEDIAN RETURN ON ASSETS	6.0%	5.2%
MEDIAN RETURN ON EQUITY	13.2%	11.6%
MEDIAN TOTAL RETURN TO INVESTORS	6.8%	16.1%
NUMBER OF EMPLOYEES (millions)	13.1	13.4

products bearing the imprint "Made in the U.S.A."

The top five rankings on the FORTUNE 500 remained unchanged from 1986, but General Motors looked like less of a leader as No. 2 Exxon and No. 3 Ford Motor gained on it. Of the top 20 companies, 16 had higher sales and 14 higher profits. Just playing in the 500 league required more sales than ever. The 500th company this year, M.A. Hanna, had sales of $459 million. The cutoff in 1986, a bad year for the group, was only $420 million; the highest previous threshold was $455 million in 1981.

It was a gala year for corporate marriages, shotgun or otherwise. Twelve companies increased their revenues by acquiring other 500 companies, clearing the way for fast-growing newcomers to join the list. Chrysler, for example, advanced one notch to 10th place when it bought American Motors. Baker International merged with Hughes Tool, while Chromalloy American succumbed to Sun Chemical's blandishments; the two became Sequa. Many of the suitors were foreigners, taking advantage of the weak dollar. German-owned American Hoechst nearly tripled its sales and made its name even harder to pronounce by merging with Celanese to form Hoechst Celanese. Unilever added Chesebrough-Pond's to its string of American operations. And British Petroleum, in the biggest deal of the year, acquired what it didn't already own of Standard Oil for $8 billion. The new company, No. 22 on the list, is called BP America. A total of 19 companies on the U.S. 500, representing $78 billion in sales and $3.7 billion in profits, are now owned by companies on the International 500.

The wanton coupling of corporations frightened some top

D2

executives so much they made their companies unappealing. Harcourt Brace, Newmont Mining, and Goodyear deterred suitors by taking on heavy loads of debt through leveraged recapitalizations. Other companies, such as Borg-Warner, Owens-Illinois, and Jim Walter, submitted to LBOs. Spinoffs were also popular, and the widespread restructuring of Corporate America continued to reshape the list. Among the new entrants were several companies thus created in 1986: Reliance Electric, spun off from Exxon; Aristech, divested by USX; and Coca-Cola Enterprises, a $3.3 billion company that includes bottling operations unloaded by Coca-Cola. The Real Thing dropped from No. 38 to No. 54 because of an adjustment to reflect the impending spinoff of Columbia Pictures. Meanwhile, profits and sales fizzed skyward at rival PepsiCo, putting the Choice of a New Generation at No. 29.

Reflecting their piddling equity bases, LBOs and spinoffs head the ranks of companies with the highest sales per dollar of stockholders' equity. But Magnetek, a producer of electrical equipment created three years ago from pieces of Litton Industries, topped them all at $61.88 per equity dollar. Its electrifying performance put it at No. 419 on the list, and also among the top in sales increases and return on equity.

The most powerful engines driving the smokestack revival were basic industries such as forest products and chemicals, which got the most leverage out of the fallen dollar. Nobody did better than the purveyors of paper, with a median sales increase of 17.9% and an astounding median profit increase of 60%. Seven of the companies in the industry more than doubled their profits, showing how much green paper the makers can churn out when their plants are running at capacity. Chemical companies, with a median increase of 29% in profits, also took advantage of unprecedented foreign and domestic demand. Profits at Air Products & Chemicals, a manufacturer of industrial gases such as helium, defied gravity by climbing more than 30-fold to make the company the biggest profit gainer on the 500. The business even attracted B.F. Goodrich, which became a straight-out chemical company when it spun off its tire and rubber operations.

Steel and textile companies, still fending off imports from Japan and Europe, nonetheless managed an impressive showing. As an industry, metals had the highest total return to investors, which includes both price appreciation and dividend yield. Its 51% gain was a remarkable turnaround from 1986 when the industry had the *worst* performance. Up until a year ago, Wall Street was ready to throw steel company stocks into the scrapyard. But exports took off like sparks from a foundry, and the stock market responded accordingly. Lukens, a manufacturer of steel plate and a newcomer to the list at No. 478, had the highest total return to investors of any FORTUNE 500 company—236%. Even LTV, which lost $3.25 billion in 1986, made money. The weak dollar helped give the textile industry a 24% increase in profits, but it could not prevent foreign competitors from gaining market share. And it did nothing for return to investors, which turned negative.

Petroleum refiners, who perennially dominate the top ranks of the 500, continued to struggle with depressed oil prices. Total profits for the industry barely climbed over last year's disas-

BIGGEST GAINERS

THE TEN LARGEST INCREASES IN SALES

	SALES RANK	
AVERY	426	5,705.9%
HANNA (M.A.)	500	252.4
HOECHST CELANESE	91	178.6
SUN MICROSYSTEMS	463	155.8
FREEPORT-MCMORAN	230	140.5
AMAX	124	137.9
HARLEY-DAVIDSON	398	132.1
MAGNETEK	419	123.0
SEAGATE TECHNOLOGY	335	108.3
MASCO INDUSTRIES	236	106.4

THE TEN LARGEST INCREASES IN PROFITS*

AIR PRODUCTS & CHEMICALS	183	3,185.9%
ASARCO	255	2,956.2
NAVISTAR INTERNATIONAL	120	1,820.6
HARNISCHFEGER INDUSTRIES	314	1,649.3
AMERICAN TEL. & TEL.	8	1,370.5
GILLETTE	135	1,355.1
OWENS-CORNING FIBERGLAS	144	1,179.4
FEDERAL-MOGUL	309	1,041.1
TEXAS INSTRUMENTS	75	960.1
FREEPORT-MCMORAN	230	867.9

*Excludes companies that lost money in 1986.

BIGGEST LOSERS

THE TEN LARGEST DECREASES IN SALES

VALERO ENERGY	414	66.6%
MAXUS FNERGY	285	60.5
CHESEBROUGH-POND'S	304	60.2
PENN CENTRAL	242	40.5
M/A-COM	459	38.7
NEWMONT MINING	450	33.0
MITCHELL ENERGY	434	30.3
ALLEGHENY INTERNATIONAL	250	27.8
GRACE (W.R.)	81	25.9
MINSTAR	348	24.1

THE FIVE LARGEST DECREASES IN PROFITS*

TEXAS INDUSTRIES	433	94.3%
FOSTER WHEELER	284	89.2
RELIANCE ELECTRIC	245	86.7
KOPPERS	224	86.0
PHILLIPS PETROLEUM	32	84.6

*Excludes money losers.

THE FIVE LARGEST LOSSES

		$ MIL.
TEXACO	7	$4,407
ROBINS (A.H.)	351	1,632
MAXUS ENERGY	285	540
ALLEGHENY INTERNATIONAL	250	451
KAISERTECH	176	362

PHOTOGRAPH BY JOE MCNALLY, DESIGN BY ELIOT BERGMAN

LEADERS MEASURED THREE WAYS

THE TEN HIGHEST RETURNS ON STOCKHOLDERS' EQUITY

	SALES RANK	
AFFILIATED PUBLICATIONS	486	62.1%
GEORGIA GULF	392	57.4
RALSTON PURINA	70	54.4
FAIRCHILD INDUSTRIES	346	49.5
MAGNETEK	419	49.5
GAF	356	46.7
MERCK	80	42.8
JEFFERSON SMURFIT	301	42.2
UNION TEXAS PETROLEUM	274	42.2
GOODYEAR TIRE & RUBBER	35	42.0
THE 500 MEDIAN		13.2

THE TEN HIGHEST RETURNS ON ASSETS

	SALES RANK	
GENCORP	139	42.9%
AFFILIATED PUBLICATIONS	486	37.8
GEORGIA GULF	392	26.5
UST	445	23.8
CLAIBORNE (LIZ)	312	23.7
HERCULES	150	23.5
MARION LABORATORIES	430	21.4
TAMBRANDS	462	18.8
AMERICAN HOME PRODUCTS	82	18.3
GAF	356	18.3
THE 500 MEDIAN		6.0

THE TEN HIGHEST RETURNS ON SALES

	SALES RANK	
NEWMONT MINING	450	61.0%
AFFILIATED PUBLICATIONS	486	41.0
HERCULES	150	30.5
GAF	356	28.4
HOMESTAKE MINING	471	28.4
UST	445	23.2
CRAY RESEARCH	397	21.4
ASARCO	255	20.6
HIMONT	292	19.5
MERCK	80	17.9
THE 500 MEDIAN		4.6

trous levels, though part of the blame lies with Texaco, No. 7 on the 500. Texaco had the worst loss ever incurred by a U.S. company, a walloping $4.4 billion, largely because of its $3 billion settlement with Pennzoil. No. 2 Exxon and No. 5 Mobil saw their profits dip for the second year in a row. Valero Energy, a San Antonio refiner, suffered the largest decrease in sales of any 500 company, 66.6%, after it shed its gas pipeline operations.

Though General Motors remained the world's biggest industrial corporation, Ford Motor humbled it in sheer performance. Ford sales climbed 14%, while those of GM fell 1%. And Ford's earnings accelerated 41% to $4.6 billion, nearly as much as the profits of GM and Chrysler combined.

The computer industry maintained its recovery in 1987 with a median increase in sales of 16% and a median rise in earnings of 27%. Compaq Computer continued to click, competing head-to-head with IBM's personal computers. The Texas company broke into the 500 in 1985, only four years after its founding, and now ranks No. 282. Better yet, it was the industry leader in total return to investors, at 187.7%.

The pharmaceutical industry swept FORTUNE 500 honors in returns on sales and assets. Merck fattened its year-end earnings when it introduced the anti-cholesterol drug Mevacor. A.H. Robins, despite a $1.6 billion loss for the year because of the Dalkon Shield imbroglio, continued to lead the industry in total return to investors. In second place was Marion Laboratories, a newcomer to the 500 that produces drugs for treating heart disease, with profit margins that would make any investor's heart skip a beat.

Aerospace companies stalled last year in a defense-spending downdraft. The industry eked out a median 4% profit gain on a slender 5% sales increase. Food companies produced considerably more palatable results, with a median profit increase of 20%. ConAgra, which sells everything from Chun King Chinese food to Country Skillet catfish, jumped from No. 59 to No. 41 after acquiring Monfort of Colorado. Swift Independent also lost its independence to ConAgra, which swallowed 50% of the meatpacker's holding company.

The weak dollar provided some long overdue help to companies selling industrial and farm equipment. This industry was the fourth-highest profit gainer behind forest products, metals, and rubber products, with a median earnings increase of 42.4%. No one benefited more than Caterpillar, which sends shiploads of its tractors and backhoes overseas. Cat suffered big losses for three consecutive years when the dollar was strong and Japan's Komatsu dug into its market share. But as the dollar faltered, Cat was able to raise prices more slowly than its competitors. It went into the black in 1985; last year profits rose 361% and total return to investors hit 56%. Things didn't go as smoothly for machine tool companies, which faced grinding competition from the Germans and Japanese. An $80 million loss drilled a hole into Cincinnati Milacron's income statement.

High-tech firms usually dominate the ranks of newcomers joining the 500 each year, but in 1987 fast-growing chemical, motor vehicle, and publishing companies also shoved their way onto the list. M.A. Hanna, the new No. 500, was on until 1976 as the venerable Hanna Mining. After the iron ore market caved in during the early 1980s, Hanna all but folded. Then it made specialty chemicals its core business. Hanna's 252.4% sales growth last year, compounded by four acquisitions in 1987, made it the second-largest revenue gainer on the 500. Avery, the largest, was spun out of Triangle Industries and acquired the chemical business of Uniroyal; it is No. 426. Great Lakes Chemical, No. 481, with an increase of 67% in revenues and 107% in net income, is the world's largest producer of bromine and pulled in over $100 million from export sales.

Also cruising into the FORTUNE 500 pack at No. 398 is motorcycle manufacturer Harley-Davidson. The 1986 acquisition of Holiday Rambler, a maker of motor homes and RVs, helped. But Harley popped some wheelies of its own. Harley executives like to say that their company is the only one with customers so loyal they tattoo the company's logo on their biceps. Behind a tariff imposed on competing imported bikes, it modernized its factories and adopted Japanese-style production methods during the mid-1980s. Last year, the overhaul complete, Harley asked that the tariff be rescinded. President Reagan visited a Harley plant in York, Pennsylvania, to honor the company's return to competitiveness. Said Reagan: "We're on the road to unprecedented prosperity in this country, and we'll get there on a Harley."

Sun Microsystems, a California computer company founded in 1982 by four 27-year-olds, logged on to the 500 at No. 463 after a 156% increase in sales and a tripling of profits. Affiliated Publications, owner of the Boston *Globe*, jumped on at No. 486 with a phenomenal profit performance: $201 million in earnings out of $490 million in sales. Although newspaper profits were healthy, Affiliated made most of that money when a cellular telephone company it has a minority stake in went public.

America's industrial giants still have a tough fight ahead in the ever more competitive global marketplace. But last year's record sales and profits provided badly needed reassurance to the managers and workers who survived the pain of cost cutting and restructuring that their efforts were not in vain. For the FORTUNE 500, 1987 was the year the promises came true.

—Mark Alpert and Sandra L. Kirsch

INVESTMENT PERFORMANCE

THE TEN HIGHEST TOTAL RETURNS TO INVESTORS, 1977-87 ANNUAL AVERAGE*

	SALES RANK	
TYSON FOODS	207	**46.4%**
HASBRO	262	**46.2**
AFG INDUSTRIES	488	**45.7**
AFFILIATED PUBLICATIONS	486	**44.8**
CRAY RESEARCH	397	**42.7**
MARION LABORATORIES	430	**42.2**
SCHULMAN (A.)	498	**36.7**
TANDEM COMPUTERS	318	**35.6**
TRIANGLE INDUSTRIES	98	**35.2**
GUILFORD MILLS	461	**34.1**
THE FIVE LOWEST		
ALLIS-CHALMERS	394	**−24.8%**
MANVILLE	190	**−20.4**
NAVISTAR INTERNATIONAL	120	**−16.0**
ALLEGHENY INTERNATIONAL	250	**−13.7**
AM INTERNATIONAL	293	**−10.8**
THE 500 MEDIAN		**17.2**

*Total return includes stock gains plus dividends.

THE TEN HIGHEST TOTAL RETURNS TO INVESTORS, 1987*

	SALES RANK	
LUKENS	478	**235.5%**
COMPAQ COMPUTER	282	**187.7**
GEORGIA GULF	392	**182.9**
BETHLEHEM STEEL	89	**168.0**
DWG	286	**166.7**
ROBINS (A.H.)	351	**160.3**
VISTA CHEMICAL	421	**142.5**
REYNOLDS METALS	101	**142.1**
PHELPS DODGE	221	**127.3**
ARMCO	143	**119.5**
THE FIVE LOWEST		
ALLEGHENY INTERNATIONAL	250	**−78.0%**
UNITED MERCHANTS & MFRS.	375	**−68.8**
ALLIED PRODUCTS	482	**−60.4**
ALLIS-CHALMERS	394	**−57.1**
FIELDCREST CANNON	247	**−55.9**
THE 500 MEDIAN		**6.8**

*Total return includes stock gains plus dividends.

PRODUCTIVITY

THE TEN HIGHEST IN SALES PER EMPLOYEE

	SALES RANK	**$ THOU.**
TOSCO	290	**$1,381**
AG PROCESSING	400	**1,150**
PACIFIC RESOURCES	338	**1,053**
NATIONAL COOP. REFINERY	448	**1,003**
LOUISIANA LAND & EXPL.	361	**981**
EXXON	2	**764**
AMERICAN PETROFINA	161	**737**
UNION TEXAS PETROLEUM	274	**721**
GEORGIA GULF	392	**712**
TEXACO	7	**685**
THE FIVE LOWEST		
BORG-WARNER	119	**$49**
MAGNETEK	419	**49**
RUSSELL	491	**48**
OXFORD INDUSTRIES	455	**46**
KELLWOOD	441	**41**
THE 500 MEDIAN		**124**

THE TEN HIGHEST IN SALES PER DOLLAR OF STOCKHOLDERS' EQUITY

	SALES RANK	
MAGNETEK	419	**$61.88**
KNOLL INT'L HOLDINGS	191	**39.97**
JOY TECHNOLOGIES	403	**34.99**
RELIANCE ELECTRIC	245	**34.34**
BURLINGTON HOLDINGS	130	**33.01**
SMITHFIELD FOODS	316	**30.52**
BEATRICE	42	**28.98**
BORG-WARNER	119	**26.11**
CENTRAL SOYA	229	**21.80**
THORN APPLE VALLEY	425	**20.63**
THE FIVE LOWEST		
GEORGIA KRAFT	474	**$1.03**
CYPRUS MINERALS	367	**.94**
PENN CENTRAL	242	**.86**
HOMESTAKE MINING	471	**.73**
SEAGRAM (JOSEPH E.) & SONS	192	**.54**
THE 500 MEDIAN		**2.77**

THE FORTUNE 500
LARGEST U.S. INDUSTRIAL CORPORATIONS

RANK		COMPANY	SALES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
1987	1986		$ Millions	% change from 1986	$ Millions	Rank	% change from 1986	$ Millions	Rank	$ Millions	Rank
1	1	**GENERAL MOTORS** Detroit	101,781.9	(1.0)	3,550.9	4	20.6	87,421.9	1	33,225.1	3
2	2	**EXXON** New York	76,416.0*	9.3	4,840.0	2	(9.7)	74,042.0	2	33,626.0	2
3	3	**FORD MOTOR** Dearborn, Mich.	71,643.4	14.2	4,625.2	3	40.8	44,955.7	4	18,492.7	4
4	4	**INTERNATIONAL BUSINESS MACHINES** Armonk, N.Y.	54,217.0	5.8	5,258.0	1	9.8	63,688.0	3	38,263.0	1
5	5	**MOBIL** New York	51,223.0*	14.2	1,258.0	11	(10.6)	41,140.0	5	16,783.0	5
6	6	**GENERAL ELECTRIC** Fairfield, Conn.	39,315.0	11.7	2,915.0	5	17.0	38,920.0	6	16,480.0	6
7	8	**TEXACO** White Plains, N.Y.	34,372.0*	8.7	(4,407.0)	480	—	33,962.0	9	9,171.0	12
8	7	**AMERICAN TEL. & TEL.** New York	33,598.0	(1.4)	2,044.0	6	1,370.5	38,426.0	7	14,455.0	9
9	9	**E.I. DU PONT DE NEMOURS** Wilmington, Del.	30,468.0	12.2	1,786.0	8	16.1	28,209.0	10	14,244.0	10
10	11	**CHRYSLER** Highland Park, Mich.[1]	26,257.7	16.6	1,289.7	10	(8.1)	19,944.6	15	6,502.9	15
11	10	**CHEVRON** San Francisco	26,015.0*	6.8	1,007.0	19	40.8	34,465.0	8	15,780.0	7
12	12	**PHILIP MORRIS** New York	22,279.0*	7.7	1,842.0	7	24.6	19,145.0	17	6,823.0	14
13	15	**SHELL OIL** Houston[2]	20,852.0*	23.9	1,230.0	13	39.3	26,937.0	11	14,842.0	8
14	13	**AMOCO** Chicago	20,174.0*	10.4	1,360.0	9	82.1	24,827.0	12	12,107.0	11
15	17	**UNITED TECHNOLOGIES** Hartford	17,170.2	9.6	591.7	37	713.6	11,928.6	28	4,292.6	31
16	19	**OCCIDENTAL PETROLEUM** Los Angeles	17,096.0	11.4	240.0**	95	32.5	16,739.0	20	5,164.0	25
17	18	**PROCTER & GAMBLE** Cincinnati[3]	17,000.0	10.1	327.0	69	(53.9)	13,715.0	23	5,990.0	19
18	20	**ATLANTIC RICHFIELD** Los Angeles	16,281.4	11.6	1,224.3	14	99.0	22,669.9	14	5,877.5	20
19	14	**RJR NABISCO** Atlanta	15,868.0	(6.6)	1,209.0	15	13.6	16,861.0	19	6,038.0	17
20	16	**BOEING** Seattle	15,355.0	(6.0)	480.0	46	(27.8)	12,566.0	26	4,987.0	29
21	21	**TENNECO** Houston	15,075.0	3.6	(218.0)	474	—	18,503.0	18	3,773.0	36
22	35	**BP AMERICA** Cleveland[4]	14,611.0*	58.5	564.0	41	—	23,287.0	13	5,574.0	22
23	22	**USX** Pittsburgh	13,898.0*	(0.7)	219.0	106	—	19,557.0	16	5,529.0	23
24	27	**DOW CHEMICAL** Midland, Mich.	13,377.0	20.4	1,240.0	12	69.4	14,356.0	22	5,769.0	21
25	26	**EASTMAN KODAK** Rochester, N.Y.	13,305.0	15.2	1,178.0	16	215.0	14,451.0	21	6,013.0	18
26	23	**MCDONNELL DOUGLAS** St. Louis	13,146.1	3.8	313.0	73	12.8	8,535.6	38	2,969.9	50
27	24	**ROCKWELL INTERNATIONAL** Pittsburgh[5]	12,123.4	(1.4)	635.1	33	3.9	8,739.2	36	3,314.2	43
28	25	**ALLIED-SIGNAL** Morristown, N.J.	11,597.0	(1.7)	656.0	30	8.4	10,226.0	30	3,129.0	46
29	34	**PEPSICO** Purchase, N.Y.	11,500.2	23.8	594.8	36	30.0	9,022.7	35	2,508.6	57
30	30	**LOCKHEED** Calabasas, Calif.	11,370.0	10.7	421.0	54	3.2	6,301.0	56	2,087.0	67
31	37	**KRAFT** Glenview, Ill.	11,010.5¶	25.9	489.4	45	18.5	5,486.7	61	1,898.4	71
32	31	**PHILLIPS PETROLEUM** Bartlesville, Okla.	10,721.0	9.6	35.0	324	(84.6)	12,111.0	27	1,617.0	81
33	28	**WESTINGHOUSE ELECTRIC** Pittsburgh	10,679.0	(0.5)	738.9	27	10.2	9,953.1	33	3,576.6	40
34	32	**XEROX** Stamford, Conn.[6]	10,320.0	10.1	578.0	39	24.3	11,598.0	29	5,105.0	26
35	29	**GOODYEAR TIRE & RUBBER** Akron, Ohio	10,123.2	(2.0)	770.9	26	521.2	8,395.9	41	1,834.4	75
36	46	**UNISYS** Blue Bell, Pa.	9,712.9	30.7	578.0	38	—	9,958.0	32	4,544.7	30
37	39	**MINNESOTA MINING & MANUFACTURING** St. Paul	9,429.0	9.6	918.0	20	17.8	8,031.0	44	5,060.0	27
38	44	**DIGITAL EQUIPMENT** Maynard, Mass.[3]	9,389.4	23.7	1,137.4	17	84.2	8,407.4	40	6,293.5	16
39	36	**GENERAL DYNAMICS** St. Louis	9,344.0	1.4	437.3	52	—	5,031.8	68	1,601.0	83
40	40	**SARA LEE** Chicago[3]	9,154.6	15.3	267.1	80	19.5	4,191.7	88	1,416.0	101
41	59	**CONAGRA** Omaha[7,8]	9,001.6	52.3	148.7	148	41.3	2,482.5	150	722.5	195
42	•	**BEATRICE** Chicago[9]	8,926.0[10]	6.3	N.A.		—	7,903.0	46	308.0	332
43	33	**SUN** Radnor, Pa.	8,691.0	(7.3)	348.0	64	(9.6)	12,580.0	25	5,229.0	24
44	50	**GEORGIA-PACIFIC** Atlanta	8,603.0	19.1	458.0	49	54.7	5,870.0	58	2,680.0	55
45	41	**ITT** New York[6]	8,551.0	8.3	1,018.1	18	106.2	13,354.3	24	7,819.5	13
46	45	**UNOCAL** Los Angeles	8,466.0*	13.2	181.0	129	2.8	10,062.0	31	1,766.0	76
47	43	**ANHEUSER-BUSCH** St. Louis	8,258.4*	7.6	614.7	35	18.7	6,491.6	54	2,892.2	53
48	47	**CATERPILLAR** Peoria, Ill.	8,180.0	11.7	350.0	63	360.5	6,866.0	52	3,565.0	41
49	51	**HEWLETT-PACKARD** Palo Alto, Calif.[11]	8,090.0	13.9	644.0	31	24.8	8,133.0	43	5,022.0	28
50	53	**JOHNSON & JOHNSON** New Brunswick, N.J.	8,012.0	14.4	833.0	24	152.8	6,546.0	53	3,485.0	42

The definitions, explanations, and footnotes underlying the figures in this directory are on page D33.

1-50

MARKET VALUE		PROFITS AS PERCENT OF						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				INDUSTRY TABLE NUMBER	RANK
		SALES		ASSETS		STOCKHOLDERS' EQUITY			% change from 1986	1977-87 annual growth rate		1987		1977-87 annual average			
$ Millions	Rank	%	Rank	%	Rank	%	Rank	1987/$		%	Rank	%	Rank	%	Rank		
22,314.9	5	3.5	307	4.1	336	10.7	314	10.06	22.5	(1.4)	310	(0.6)	276	6.9	345	17	1
58,074.5	2	6.3	165	6.5	217	14.4	213	3.43	(7.5)	9.8	160	13.7	163	20.9	133	18	2
21,665.6	7	6.5	161	10.3	75	25.0	50	9.05	46.9	11.1	138	39.1	67	20.1	149	17	3
68,063.9	1	9.7	66	8.3	144	13.7	227	8.72	11.7	6.7	207	(0.7)	277	10.3	310	6	4
17,842.7	11	2.5	369	3.1	360	7.5	366	3.06	(11.3)	2.6	273	2.5	256	16.8	211	18	5
39,770.3	3	7.4	127	7.5	181	17.7	148	3.20	17.2	10.3	152	5.3	233	18.4	173	7	6
10,869.8	27	—		—		—		(18.15)	—	—		6.1	229	11.1	299	18	7
30,733.9	4	6.1	172	5.3	278	14.1§	221	1.88	3,660.0	(12.3)	344	12.9	168	5.0	361	7	8
20,626.3	9	5.9	181	6.3	229	12.5	261	7.39	16.4	7.2	201	7.4	217	14.3	245	5	9
5,353.9	56	4.9	224	6.5	219	19.8	102	5.90	(6.5)	17.2	47	(7.7)	315	17.1	204	17	10
15,779.8	14	3.9	284	2.9	365	6.4	376	2.94	40.7	(0.1)	300	(8.3)	320	13.8	255	18	11
21,998.4	6	8.3	100	9.6	100	27.0	42	7.75	25.0	18.7	37	22.8	120	23.4	84	25	12
N.A.		5.9	180	4.6	320	8.3	357	N.A.	—	—		—		—		18	13
19,322.6	10	6.7	147	5.5	270	11.2	298	5.31	82.5	4.4	243	10.4	187	16.9	208	18	14
5,314.3	57	3.4	317	5.0	303	13.8	226	4.52	1,574.1	4.8	239	(24.0)	386	11.2	298	1	15
5,769.3	49	1.4	401	1.4	403	4.6§	395	1.06**	47.2	(9.6)	336	(4.7)	299	9.1	327	6	16
13,691.4	21	1.9	382	2.4	381	5.5	384	1.87	(55.5)	(3.9)	326	15.2	156	11.7	290	23	17
13,815.2	20	7.5	122	5.4	275	20.8	84	6.68	97.6	8.8	174	21.0	128	16.5	218	18	18
12,615.2	22	7.6	117	7.2	192	20.0§	97	4.70	22.7	10.4	150	(5.6)	303	21.0	129	25	19
7,423.6	33	3.1	337	3.8	345	9.6	340	3.10	(27.6)	9.5	164	(25.4)	390	20.5	143	1	20
6,598.8	38	—		—		—		(1.81)	—	—		10.8	181	10.2	315	18	21
N.A.		3.9	285	2.4	380	10.1	331	N.A.	—	—		—		—		18	22
8,524.3	31	1.6	393	1.1	412	4.0§	399	0.54	—	(10.6)	338	44.0	54	5.3	359	18	23
16,026.3	13	9.3	77	8.6	130	21.5	76	6.47	69.4	8.0	185	58.0	28	18.8	168	5	24
13,936.3	19	8.9	86	8.2	150	19.6	106	3.62	227.1	7.4	198	10.4	186	13.2	266	22	25
2,414.9	123	2.4	371	3.7	347	10.5	316	7.75	13.0	9.2	166	(13.9)	353	11.3	297	1	26
5,289.2	59	5.2	210	7.3	188	19.2	116	2.27	10.2	15.8	65	(13.9)	352	22.7	92	1	27
4,798.4	65	5.7	192	6.4	222	21.0§	82	3.90	19.6	2.0	282	(26.2)	397	5.6	357	1	28
9,147.0	29	5.2	212	6.6	215	23.7	62	2.26	29.1	12.2	119	30.9	89	17.8	189	3	29
2,677.2	106	3.7	296	6.7	211	20.2	96	6.41	3.7	17.9	44	(29.4)	411	22.2	107	1	30
7,178.2	36	4.4	258	8.9	122	25.8	45	3.60	22.9	7.0	203	2.8	252	21.0	128	8	31
3,653.6	85	0.3	425	0.3	428	2.2§	412	0.06	(93.3)	(25.4)	358	24.4	115	9.9	318	18	32
7,231.2	35	6.9	143	7.4	184	20.7	88	5.12	15.8	13.6	94	(8.2)	317	24.0	75	7	33
5,655.4	52	5.6	194	5.0	299	11.3	295	5.35	25.0	0.6	294	(1.6)	286	7.9	337	22	34
3,574.2	86	7.6	118	9.2	114	42.0	10	12.73	997.4	16.1	59	47.1	45	20.5	142	21	35
5,248.0	61	6.0	177	5.8	249	12.7	256	3.15	—	5.9	215	29.2	98	7.9	336	6	36
14,189.9	18	9.7	63	11.4	59	18.1	140	4.02	18.2	8.5	179	13.5	164	15.1	236	22	37
15,113.4	15	12.1	34	13.5	31	18.1	141	8.53	77.3	19.9	30	28.9	99	19.3	163	6	38
2,263.9	130	4.7	237	8.7	127	27.3	41	10.26	—	18.4	40	(26.9)	401	20.4	145	1	39
4,636.6	67	2.9	347	6.4	226	18.9	124	2.35	16.3	12.4	115	6.6	221	25.4	62	8	40
1,947.6	148	1.7	391	6.0	241	20.6	90	1.85	21.3	16.6	54	(9.4)	324	33.4	12	8	41
N.A.		—		—		—		—	—	—		—		—		8	42
6,037.8	44	4.0	280	2.8	370	6.7	372	3.21	(9.3)	(1.2)	307	(0.3)	275	15.3	234	18	43
3,888.4	79	5.3	204	7.8	169	17.1§	164	4.23	57.2	5.2	230	(4.3)	298	5.8	354	9	44
6,316.3	40	11.9	38	7.6	174	13.0	246	6.76	109.3	5.2	231	40.7	62	15.8	226	7	45
4,225.4	76	2.1	376	1.8	394	10.2	327	1.56	3.3	(2.3)	315	9.2	195	11.8	289	18	46
10,419.9	28	7.4	125	9.4	106	21.3	77	2.04	20.7	19.6	32	29.7	96	29.6	23	3	47
6,554.4	39	4.3	268	5.1	295	9.8	336	3.51	355.8	(3.8)	325	55.9	30	4.4	368	11	48
16,054.6	12	8.0	108	7.9	158	12.8	252	2.50	23.8	16.7	53	39.7	64	21.0	130	6	49
14,477.6	16	10.4	56	12.7	40	23.9	60	4.83	161.1	13.1	104	16.2	151	14.2	248	19	50

THE FORTUNE 500
LARGEST U.S. INDUSTRIAL CORPORATIONS

RANK 1987	RANK 1986	COMPANY	SALES $ Millions	SALES % change from 1986	PROFITS $ Millions	PROFITS Rank	PROFITS % change from 1986	ASSETS $ Millions	ASSETS Rank	STOCKHOLDERS' EQUITY $ Millions	STOCKHOLDERS' EQUITY Rank
51	79	**ALUMINUM CO. OF AMERICA** Pittsburgh	7,767.0	66.4	200.1‡	120	(21.3)	9,901.9	34	3,910.7	33
52	66	**INTERNATIONAL PAPER** Purchase, N.Y.	7,763.0	41.1	407.0	56	33.4	8,710.0	37	4,052.0	32
53	48	**RAYTHEON** Lexington, Mass.	7,659.4	4.8	445.1	51	13.2	4,062.2	92	1,849.1	73
54	38	**COCA-COLA** Atlanta	7,658.3	(11.7)	916.1	21	(1.9)	8,355.6	42	3,223.8	45
55	55	**MONSANTO** St. Louis	7,639.0	11.0	436.0	53	0.7	8,455.0	39	3,901.0	34
56	49	**LTV** Dallas	7,581.8	4.3	502.6	44	—	5,706.1	59	(2,045.4)	493
57	57	**COASTAL** Houston	7,413.9	11.2	113.1	178	58.0	7,989.3	45	859.6	166
58	62	**WEYERHAEUSER** Tacoma	6,989.8	23.7	446.6	50	61.4	7,201.9	50	3,716.2	38
59	42	**UNION CARBIDE** Danbury, Conn.	6,914.0	(11.7)	232.0	98	(53.2)	7,892.0	47	1,247.0	115
60	54	**ASHLAND OIL** Russell, Ky.[5]	6,870.9	(1.7)	133.4	166	(36.0)	4,058.0	93	1,065.4	136
61	58	**TRW** Cleveland	6,821.2	5.8	243.4	94	11.8	4,377.5	83	1,416.7	100
62	60	**MOTOROLA** Schaumburg, Ill.	6,707.0	13.9	308.0	75	58.8	5,321.0	64	3,008.0	49
63	52	**HONEYWELL** Minneapolis	6,679.3	(5.7)	253.7	85	—	5,285.2	66	2,245.3	61
64	70	**BORDEN** New York	6,514.4	30.2	267.1	81	19.6	4,157.4	90	1,658.8	79
65	68	**AMERICAN BRANDS** Old Greenwich, Conn.	6,323.4*,¶	20.2	522.7	43	43.1	7,343.1	49	2,966.4	51
66	63	**BAXTER TRAVENOL LABORATORIES** Deerfield, Ill.	6,223.0	10.5	331.0	68	(25.5)	7,638.0	48	3,713.0	39
67	73	**EMERSON ELECTRIC** St. Louis[5]	6,170.3	24.6	467.2	48	14.3	4,867.8	73	2,702.5	54
68	61	**PILLSBURY** Minneapolis[7]	6,127.8	4.8	181.9	128	(12.6)	3,853.0	98	1,378.9	104
69	64	**NORTHROP** Los Angeles	6,052.5	7.9	94.2	194	128.6	3,123.6	115	947.5	150
70	65	**RALSTON PURINA** St. Louis[5]	5,868.0	6.4	523.1	42	34.6	3,863.7	96	961.5	148
71	67	**ARCHER DANIELS MIDLAND** Decatur, Ill.[3]	5,774.6	8.2	265.4	83	15.2	3,862.1	97	2,367.7	58
72	69	**TEXTRON** Providence[6]	5,661.4	8.3	256.3‡	84	7.1	5,343.6	63	2,307.2	59
73	71	**COLGATE-PALMOLIVE** New York	5,647.5	13.3	54.0	277	(69.6)	3,227.7	110	941.1	151
74	75	**NCR** Dayton, Ohio	5,640.7	15.5	419.3	55	24.6	4,187.5	89	2,161.5	63
75	72	**TEXAS INSTRUMENTS** Dallas	5,594.5	12.5	308.5**	74	960.1	4,256.3	85	2,246.4	60
76	76	**BRISTOL-MYERS** New York	5,401.2	11.7	709.6	28	20.4	4,732.0	76	3,229.3	44
77	80	**GENERAL MILLS** Minneapolis[7]	5,208.3	13.6	222.0	104	21.0	2,280.4	157	730.4	192
78	78	**PPG INDUSTRIES** Pittsburgh	5,182.6	10.6	377.1	60	19.2	4,987.9	69	2,043.5	68
79	77	**MARTIN MARIETTA** Bethesda, Md.	5,165.1	8.7	230.6	99	14.0	2,794.1	131	907.7	158
80	91	**MERCK** Rahway, N.J.	5,061.3	22.6	906.4	22	34.1	5,680.0	60	2,116.7	65
81	56	**W.R. GRACE** New York	5,046.3¶	(25.9)	173.1	134	—	4,473.6	79	1,463.3	96
82	74	**AMERICAN HOME PRODUCTS** New York	5,028.3	2.1	845.1	23	8.5	4,608.4	77	2,529.7	56
83	84	**PFIZER** New York	4,919.8	9.9	690.2	29	4.6	6,922.6	51	3,882.4	35
84	81	**CPC INTERNATIONAL** Englewood Cliffs, N.J.	4,903.0	7.8	354.8	62	61.9	3,260.5	108	1,086.5	130
85	90	**KIMBERLY-CLARK** Dallas	4,884.7	13.5	325.2	70	20.7	3,885.7	95	1,571.9	89
86	82	**NORTH AMERICAN PHILIPS** New York[12]	4,846.9	7.0	(18.1)	445	—	3,102.3	117	1,073.6	133
87	92	**AMERADA HESS** New York	4,784.6	19.2	229.9	101	—	5,304.8	65	2,158.5	64
88	88	**H.J. HEINZ** Pittsburgh[13]	4,639.5	6.3	338.5	66	12.2	3,364.2	106	1,392.9	102
89	89	**BETHLEHEM STEEL** Bethlehem, Pa.	4,620.5	6.6	174.3**	132	—	4,774.8	74	1,208.4	121
90	86	**CHAMPION INTERNATIONAL** Stamford, Conn.	4,614.7	5.2	382.0	58	90.2	6,103.3	57	2,936.3	52
91	210	**HOECHST CELANESE** Somerville, N.J.[14]	4,596.0	178.6	169.0	136	347.1	5,388.0	62	3,103.0	47
92	85	**IC INDUSTRIES** Chicago	4,581.2¶	3.2	251.7	86	—	4,871.4	72	1,573.0	88
93	104	**QUAKER OATS** Chicago[3]	4,538.6	23.6	243.9	93	35.8	3,250.1	109	1,087.5	129
94	87	**CAMPBELL SOUP** Camden, N.J.[15]	4,490.4	2.6	247.3	92	10.8	3,090.0	118	1,736.1	77
95	149	**JAMES RIVER CORP. OF VIRGINIA** Richmond[13]	4,479.0	71.8	169.9	135	78.3	4,210.5	87	1,847.2	74
96	83	**LITTON INDUSTRIES** Beverly Hills, Calif.[15]	4,419.7	(2.2)	138.1	162	94.1	4,880.8	71	1,053.8	138
97	96	**ABBOTT LABORATORIES** North Chicago, Ill.	4,387.9	15.2	632.6	34	17.0	4,385.7	82	2,093.5	66
98	144	**TRIANGLE INDUSTRIES** New York	4,336.1	62.5	52.2	281	304.1	3,771.9	100	423.2	278
99	106	**BASF** Parsippany, N.J.[16]	4,333.5	18.9	130.7‡	168	25.0	2,557.5	148	918.5	155
100	99	**SMITHKLINE BECKMAN** Philadelphia	4,328.8	15.6	570.1	40	9.4	4,446.2	80	1,584.6	86

The definitions, explanations, and footnotes underlying the figures in this directory are on page D33.

51-100

MARKET VALUE		PROFITS AS PERCENT OF						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				INDUSTRY TABLE NUMBER	RANK
		SALES		ASSETS		STOCKHOLDERS' EQUITY			% change from	1977-87 annual growth rate		1987		1977-87 annual average			
$ Millions	Rank	%	Rank	%	Rank	%	Rank	1987/$	1986	%	Rank	%	Rank	%	Rank		
3,966.9	78	2.6	362	2.0	391	5.1	387	2.25‡	(24.0)	(2.1)	312	41.5	59	11.8	288	15	51
4,518.4	71	5.2	209	4.7	314	10.0§	332	3.68	27.1	4.0	251	15.4	153	12.0	283	9	52
4,561.2	69	5.8	183	11.0	63	24.1	57	6.12	20.0	12.8	109	1.5	264	18.1	178	7	53
14,335.7	17	12.0	36	11.0	62	28.4	37	2.43	0.4	10.6	147	3.5	246	17.5	191	3	54
5,900.8	48	5.7	188	5.2	287	11.2	303	5.63	1.4	4.2	247	12.2	174	17.1	203	5	55
364.1	372	6.6	152	8.8	124	—		4.24	—	—		53.8	32	(8.1)	393	15	56
1,287.4	195	1.5	397	1.4	404	13.2§	242	2.10	275.0	2.9	268	12.7	170	22.4	103	18	57
5,717.9	50	6.4	163	6.2	235	12.0§	280	3.18	66.5	3.3	264	5.7	232	7.6	341	9	58
3,244.3	93	3.4	326	2.9	363	18.6	128	1.76	(63.2)	(1.4)	309	2.6	254	15.7	227	5	59
1,905.1	152	1.9	381	3.3	357	12.5§	263	4.27	(30.6)	1.4	289	6.1	230	17.4	195	18	60
3,033.4	97	3.6	302	5.6	267	17.2	162	4.01	10.6	5.3	227	16.2	152	16.0	222	7	61
6,141.0	42	4.6	245	5.8	250	10.2	328	2.39	56.2	7.4	197	41.3	60	17.4	193	7	62
2,822.8	101	3.8	288	4.8	308	11.3	297	5.75	—	5.2	229	(6.2)	306	12.6	272	7	63
3,997.7	77	4.1	275	6.4	221	16.1	178	3.62	20.7	10.3	153	8.1	205	23.3	86	8	64
5,009.0	63	8.3	101	7.1	197	17.6§	152	4.60	44.7	12.1	123	9.6	193	23.4	81	25	65
6,000.0	45	5.3	205	4.3	330	8.9	350	1.14	(32.9)	7.2	200	20.4	130	10.8	306	19	66
7,749.8	32	7.6	120	9.6	101	17.3	158	2.00	6.8	9.3	165	27.6	104	16.3	219	7	67
3,285.5	92	3.0	344	4.7	312	13.2	240	2.10	(11.9)	8.9	172	6.5	224	18.0	181	8	68
1,393.6	189	1.6	396	3.0	361	9.9	333	2.01	125.8	2.3	279	(33.0)	422	16.6	217	1	69
5,173.9	62	8.9	82	13.5	30	54.4	3	7.23	42.9	18.4	39	(8.3)	319	20.7	138	8	70
3,509.7	87	4.6	243	6.9	206	11.2	301	1.54	13.1	11.1	140	22.0	125	16.8	210	8	71
2,127.3	139	4.5	249	4.8	309	11.1	306	2.92‡	0.9	4.8	238	(26.0)	394	11.5	292	1	72
3,004.1	98	1.0	409	1.7	397	5.7	382	0.78	(69.0)	(9.3)	335	(0.9)	279	12.2	281	23	73
5,593.8	53	7.4	126	10.0	81	19.4	108	4.51	31.9	12.9	105	45.5	50	23.3	85	6	74
4,265.0	75	5.5	196	7.2	189	13.7	229	3.59**	1,416.7	7.7	191	43.4	55	10.6	308	7	75
12,584.0	23	13.1	29	15.0	23	22.0	73	2.47	19.6	13.8	91	3.8	244	21.3	124	19	76
4,422.6	73	4.3	270	9.7	96	30.4	33	2.50	21.7	7.8	189	18.4	140	18.6	169	8	77
4,312.8	74	7.3	131	7.6	177	18.5	134	3.19	19.9	15.9	64	(6.5)	308	23.0	89	4	78
2,423.7	121	4.5	254	8.3	145	25.4	48	4.25	15.8	12.8	108	11.2	180	24.3	71	1	79
20,783.3	8	17.9	10	16.0	18	42.8	7	6.68	37.7	13.2	100	29.9	95	22.5	99	19	80
2,310.8	128	3.4	319	3.9	342	11.8	286	2.03	—	0.9	291	3.5	247	12.4	274	5	81
11,617.6	24	16.8	12	18.3	9	33.4	25	5.73	10.6	11.4	133	(1.4)	284	15.8	225	19	82
8,936.2	30	14.0	27	10.0	85	17.8	147	4.08	4.6	12.6	113	(21.4)	378	16.8	212	19	83
3,784.1	81	7.2	134	10.9	65	32.7	27	4.34	88.7	12.0	125	5.1	234	19.3	165	8	84
4,601.5	68	6.7	150	8.4	138	20.7	86	3.73	27.1	10.3	154	28.6	101	22.7	93	9	85
N.A.		—		—		—		N.A.	—	—		—		—		7	86
2,411.4	124	4.8	232	4.3	331	10.6	315	2.73	—	2.5	275	6.8	219	10.2	311	18	87
5,456.8	55	7.3	130	10.1	79	24.3	54	2.47	12.3	15.4	72	2.1	258	26.1	54	8	88
1,390.5	190	3.8	292	3.7	349	14.4	211	2.77**	—	—		168.0	4	1.6	378	15	89
3,405.9	89	8.3	99	6.3	231	13.0	247	4.03	93.8	4.0	253	14.1	160	9.9	317	9	90
N.A.		3.7	298	3.1	359	5.4	385	N.A.	—	—		—		—		5	91
3,753.1	82	5.5	198	5.2	286	16.0	180	2.23	—	7.0	202	46.8	46	24.7	64	8	92
3,675.3	83	5.4	202	7.5	160	22.4	70	3.10	42.5	15.2	76	6.0	231	26.6	50	8	93
3,656.4	84	5.5	197	8.0	152	14.2	217	3.81	10.4	8.8	173	0.1	272	17.9	182	8	94
2,037.2	146	3.8	290	4.0	337	9.2§	344	2.03	14.7	20.2	28	(29.0)	409	27.1	44	9	95
2,172.8	136	3.1	338	2.8	367	13.1	244	5.16	104.8	15.6	66	(2.5)	292	20.8	137	7	96
11,024.8	26	14.4	23	14.4	27	30.2	35	2.78	19.8	18.8	35	7.6	213	24.1	74	19	97
771.2	281	1.2	405	1.4	405	12.3	268	1.79	297.8	—		6.3	224	35.2	9	14	98
N.A.		3.0	342	5.1	294	14.2	218	N.A.	—	—		—		—		5	99
7,354.0	34	13.2	28	12.8	37	36.0	17	4.50	32.7	19.7	31	5.0	236	18.6	170	19	100

THE FORTUNE 500

LARGEST U.S. INDUSTRIAL CORPORATIONS

RANK		COMPANY	SALES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
1987	1986		$ Millions	% change from 1986	$ Millions	Rank	% change from 1986	$ Millions	Rank	$ Millions	Rank
101	109	**REYNOLDS METALS** Richmond	4,283.8	17.7	219.5	105	14.4	4,314.0	84	1,599.6	84
102	125	**MEAD** Dayton	4,208.8	30.8	217.7	109	499.7	2,917.3	125	1,246.0	116
103	117	**BAYER USA** Pittsburgh[17]	4,198.9	23.1	123.1	171	31.3	3,127.0	114	1,061.8	137
104	98	**TIME INC.** New York	4,193.5	11.5	249.8	88	(33.6)	4,423.7	81	1,247.6	114
105	93	**WHIRLPOOL** Benton Harbor, Mich.	4,179.0	4.2	191.9	125	(3.9)	2,417.5	154	1,303.8	112
106	94	**AMERICAN CYANAMID** Wayne, N.J.	4,166.1	9.2	275.6	79	36.1	4,129.0	91	1,873.0	72
107	103	**DANA** Toledo	4,142.1	12.1	144.4	158	68.2	2,802.0	130	879.2	162
108	111	**DEERE** Moline, Ill.[11]	4,134.5	17.6	(99.0)	469	—	4,759.9	75	1,920.1	70
109	115	**SCOTT PAPER** Philadelphia	4,122.0	19.9	233.8	97	25.4	4,480.5	78	1,574.3	87
110	95	**EATON** Cleveland	4,053.5¶	6.3	201.2	116	46.2	3,026.2	121	1,076.1	131
111	101	**ELI LILLY** Indianapolis	4,049.3¶	8.8	643.7	32	15.3	5,254.9	67	3,042.6	48
112	102	**FIRESTONE TIRE & RUBBER** Chicago[11]	3,867.0	4.2	145.0**	156	70.6	2,921.0	124	1,179.0	122
113	100	**BOISE CASCADE** Boise, Idaho	3,820.8	2.2	183.0	127	80.2	3,374.8	105	1,559.5	90
114	120	**KELLOGG** Battle Creek, Mich.	3,793.0	13.5	395.9	57	24.1	2,681.0	139	1,211.0	120
115	97	**HANSON INDUSTRIES N. AMERICA** Iselin, N.J.[5,18]	3,769.1	0.0	229.1‡	102	122.3	2,933.7	122	747.7	187
116	108	**OWENS-ILLINOIS** Toledo	3,714.8¶,[10]	2.0	N.A.		—	N.A.		N.A.	
117	141	**SWIFT INDEPENDENT** Dallas[11]	3,692.1	33.6	(18.4)	447	—	362.8	457	(5.7)	479
118	116	**COOPER INDUSTRIES** Houston	3,585.8	4.4	173.8	133	17.7	3,800.4	99	1,592.9	85
119	110	**BORG-WARNER** Chicago	3,553.7[10]	(1.9)	N.A.		—	4,964.9	70	136.1	434
120	118	**NAVISTAR INTERNATIONAL** Chicago[11]	3,529.7	5.2	33.4‡	330	1,820.6	1,902.2	182	643.2	209
121	127	**WARNER-LAMBERT** Morris Plains, N.J.	3,484.7	12.3	295.8	77	(4.4)	2,475.9	151	874.4	163
122	123	**INLAND STEEL INDUSTRIES** Chicago	3,453.2	5.4	145.0**	157	652.6	2,651.4	141	1,391.5	103
123	121	**AMERICAN STANDARD** New York	3,438.9	3.4	127.1	169	(32.5)	2,398.2	155	850.6	167
124	232	**AMAX** Greenwich, Conn.[19]	3,434.3	137.9	51.2‡	285	258.0	3,969.3	94	1,305.6	111
125	119	**CONTROL DATA** Minneapolis	3,366.5	0.6	19.3‡	389	—	2,638.6	142	1,047.5	140
126	•	**COCA-COLA ENTERPRISES** Atlanta	3,329.1	70.6	88.4	201	218.0	4,250.0	86	1,526.1	93
127	114	**GRUMMAN** Bethpage, N.Y.	3,325.1	(3.3)	35.6	323	(54.7)	2,254.6	158	727.5	194
128	151	**COMBUSTION ENGINEERING** Stamford, Conn.	3,301.0	29.4	56.6	267	11.2	2,703.7	137	862.5	164
129	135	**AVON PRODUCTS** New York	3,292.7¶	14.2	159.1	142	0.3	2,559.2	147	758.6	184
130	140	**BURLINGTON HOLDINGS** New York[5]	3,279.3[10]	18.0	N.A.		—	3,491.6	104	99.3	455
131	122	**UNITED BRANDS** Cincinnati	3,268.0	(1.2)	59.4	258	10.3	1,116.0	252	418.5	279
132	112	**AGWAY** DeWitt, N.Y.[3]	3,264.7	(7.0)	N.A.		—	1,421.6	224	326.7	319
133	175	**STONE CONTAINER** Chicago[20]	3,232.9	59.1	161.3	140	355.5	2,286.1	156	740.3	188
134	124	**TELEDYNE** Los Angeles	3,216.8	(0.8)	377.2	59	58.3	3,135.0	113	1,976.0	69
135	137	**GILLETTE** Boston	3,166.8	12.4	229.9	100	1,355.1	2,731.2	135	599.4	225
136	133	**TIMES MIRROR** Los Angeles	3,154.6	8.0	266.5	82	(34.7)	3,122.1	116	1,454.2	97
137	131	**FMC** Chicago	3,139.1	4.5	180.5	130	18.3	2,595.1	144	(343.2)	487
138	105	**DRESSER INDUSTRIES** Dallas[11]	3,119.7	(14.8)	48.9**	290	409.4	2,882.3	127	1,550.0	91
139	128	**GENCORP** Fairlawn, Ohio[21]	3,101.0¶	0.1	475.0	47	265.4	1,108.0	254	(97.0)	484
140	202	**BRUNSW[illegible]K** Skokie, Ill.	3,086.4	79.7	168.8	137	53.0	1,896.3	184	848.9	169
141	138	**GANNETT** Arlington, Va.	3,079.4	9.9	319.4	71	15.6	3,510.3	102	1,609.4	82
142	136	**USG** Chicago	3,046.4	6.2	204.3	114	(9.4)	2,094.8	164	609.8	221
143	129	**ARMCO** Parsippany, N.J.	2,927.2	(5.1)	117.6**	174	—	2,786.7	132	738.6	189
144	107	**OWENS-CORNING FIBERGLAS** Toledo	2,891.1	(20.7)	200.1‡	119	1,179.4	1,590.1	207	(809.9)	489
145	155	**LEVER BROTHERS** New York[22]	2,856.4	15.4	7.0	417	—	1,011.4	274	163.4	416
146	146	**WANG LABORATORIES** Lowell, Mass.[3]	2,836.7	7.3	(70.7)	464	—	2,812.0	129	1,486.2	95
147	143	**FRUEHAUF** Detroit	2,784.7¶	3.9	(41.5)	457	—	1,727.1	192	(28.3)	481
148	160	**CUMMINS ENGINE** Columbus, Ind.	2,767.4	20.1	13.9	404	—	2,019.4	172	807.3	178
149	157	**SCHERING-PLOUGH** Madison, N.J.	2,699.3	12.5	316.4	72	19.0	3,179.5	111	1,443.4	99
150	148	**HERCULES** Wilmington, Del.	2,693.0	3.0	820.7	25	262.0	3,492.1	103	2,189.9	62

The definitions, explanations, and footnotes underlying the figures in this directory are on page D33.

101-150

MARKET VALUE		PROFITS AS PERCENT OF						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				INDUSTRY TABLE NUMBER	RANK
		SALES		ASSETS		STOCKHOLDERS' EQUITY			% change from 1986	1977-87 annual growth rate		1987		1977-87 annual average			
$ Millions	Rank	%	Rank	%	Rank	%	Rank	1987/$		%	Rank	%	Rank	%	Rank		
2,417.6	122	5.1	216	5.1	296	13.7	230	4.33	5.9	6.5	210	142.1	8	16.6	216	15	101
2,465.1	115	5.2	211	7.5	182	17.5	155	3.45	494.8	5.3	226	26.5	110	17.8	190	9	102
N.A.		2.9	345	3.9	339	11.6	291	N.A.	—	—		—		—		5	103
5,267.2	60	6.0	176	5.6	262	20.0	98	4.18	(29.7)	6.5	208	18.8	138	20.5	144	20	104
1,930.1	151	4.6	244	7.9	156	14.7	205	2.68	(0.7)	5.8	217	(25.6)	392	13.6	259	7	105
4,559.4	70	6.6	153	6.7	212	14.7	206	3.02	38.5	7.5	195	8.2	204	17.0	206	5	106
1,549.7	176	3.5	308	5.2	288	16.4	172	3.30	96.4	3.2	265	1.3	265	13.3	264	17	107
3,001.0	99	—		—		—		(1.46)	—	—		53.2	33	7.6	342	11	108
2,692.6	104	5.7	190	5.2	284	14.9	200	6.11	23.2	9.1	169	14.5	159	22.5	100	9	109
1,963.5	147	5.0	220	6.6	213	18.7	127	7.16	66.9	5.8	218	9.8	191	17.2	198	7	110
11,254.0	25	15.9	17	12.2	47	21.2	79	4.41	10.0	11.0	141	7.5	215	19.6	158	19	111
2,207.1	133	3.7	295	5.0	302	12.3	273	3.96**	83.3	7.5	196	16.3	150	12.3	278	21	112
2,143.2	138	4.8	234	5.4	273	11.7	289	3.70	85.7	3.7	256	16.8	147	15.5	231	9	113
6,236.8	41	10.4	54	14.8	25	32.7	26	3.20	24.0	13.5	95	3.4	248	21.7	117	8	114
N.A.		6.1	173	7.8	167	30.6	31	N.A.	—	—		—		—		5	115
N.A.		—		—		—		N.A.	—	—		—		—		4	116
N.A.		—		—		—		(22,739.00)	—	—		—		—		8	117
2,903.4	100	4.8	228	4.6	319	10.9	310	3.47	14.1	3.8	255	38.2	72	13.4	263	7	118
N.A.		—		—		—		N.A.	—	—		—		—		5	119
1,449.3	188	0.9	410	1.8	395	5.2	386	0.03‡	—	(42.0)	359	(10.5)	332	(16.0)	398	17	120
4,904.0	64	8.5	91	11.9	52	33.8	22	4.15	(0.7)	5.8	219	17.9	143	15.3	233	19	121
1,080.1	226	4.2	271	5.5	271	10.4	321	4.14**	935.0	(0.2)	301	60.9	25	1.8	377	15	122
2,326.1	127	3.7	297	5.3	280	14.9	197	3.99	(22.5)	2.2	280	(11.7)	337	12.8	269	11	123
1,838.7	160	1.5	399	1.3	409	3.9	400	0.53‡	960.0	(6.9)	329	64.9	19	0.6	383	15	124
1,141.8	217	0.6	420	0.7	421	1.8	415	0.45‡	—	(13.1)	347	(18.0)	367	5.4	358	6	125
2,184.2	135	2.7	360	2.1	390	5.8	381	0.63	75.0	—		0.2	271	—		3	126
673.6	295	1.1	408	1.6	400	4.9§	390	0.94	(59.5)	(7.4)	331	(26.9)	399	12.5	273	1	127
1,331.6	193	1.7	388	2.1	388	6.6	374	1.54	0.7	(3.0)	319	(0.0)	274	9.7	321	7	128
1,663.6	169	4.8	230	6.2	234	21.0	81	2.26	1.3	(3.7)	324	2.1	259	1.2	379	23	129
N.A.		—		—		—		N.A.	—	—		—		—		24	130
720.0	288	1.8	387	5.3	277	14.2	219	3.86	14.2	22.7	20	38.8	69	21.5	121	8	131
N.A.		—		—		—		N.A.	—	—		—		—		18	132
1,753.4	163	5.0	218	7.1	200	21.8	75	2.81	116.2	14.7	83	27.8	103	31.5	19	9	133
3,888.4	80	11.7	40	12.0	50	19.1	117	32.25	58.5	16.1	60	2.1	260	28.2	33	7	134
4,503.7	72	7.3	133	8.4	135	38.4	13	2.00	1,500.0	4.2	246	17.9	142	22.7	95	14	135
4,788.5	66	8.4	93	8.5	131	18.3	137	2.06	(34.7)	11.5	130	15.2	154	22.7	94	20	136
996.0	240	5.8	186	7.0	204	—		4.29	161.6	1.8	283	31.1	87	27.7	35	5	137
2,208.1	132	1.6	395	1.7	396	3.2	404	0.65**	441.7	(12.2)	343	37.4	76	4.8	363	11	138
690.1	291	15.3	20	42.9	1	—		9.87	408.8	21.4	24	(8.2)	318	19.0	167	21	139
1,877.0	156	5.5	199	8.9	123	19.9	100	1.90	44.5	23.3	18	(11.7)	338	28.2	31	11	140
6,053.5	43	10.4	57	9.1	117	19.8	101	1.98	15.8	13.1	103	9.4	194	20.1	150	20	141
1,855.2	158	6.7	149	9.8	93	33.5	24	3.96	11.9	16.6	55	(20.5)	376	24.7	65	4	142
1,012.1	238	4.0	279	4.2	333	15.9	183	1.38**	—	(5.9)	328	119.5	10	(1.6)	386	15	143
804.8	270	6.9	142	12.6	42	—		4.81‡	881.6	2.5	274	19.1	137	16.9	209	4	144
N.A.		0.2	429	0.7	423	4.3	396	N.A.	—	—		—		—		23	145
2,093.7	141	—		—		—		(0.44)	—	—		0.0	273	20.8	134	6	146
17.5	445	—		—		—		(5.97)	—	—		(43.8)	427	—		17	147
623.1	307	0.5	422	0.7	424	1.7	416	0.55	—	(23.7)	357	(27.4)	404	6.5	347	11	148
5,931.4	47	11.7	41	10.0	87	21.9	74	2.73	25.8	5.9	216	21.5	127	16.7	215	19	149
2,433.8	118	30.5	3	23.5	6	37.5	15	14.74	266.7	26.9	13	(4.1)	297	17.1	200	5	150

THE FORTUNE 500
LARGEST U.S. INDUSTRIAL CORPORATIONS

RANK 1987	RANK 1986	COMPANY	SALES $ Millions	SALES % change from 1986	PROFITS $ Millions	PROFITS Rank	PROFITS % change from 1986	ASSETS $ Millions	ASSETS Rank	STOCKHOLDERS' EQUITY $ Millions	STOCKHOLDERS' EQUITY Rank
151	147	**JOHNSON CONTROLS** Milwaukee[5]	2,676.8	1.4	89.6	199	(6.6)	1,739.1	191	770.4	182
152	190	**APPLE COMPUTER** Cupertino, Calif.[5]	2,661.1	39.9	217.5	110	41.3	1,477.9	218	836.5	173
153	139	**INGERSOLL-RAND** Woodcliff Lake, N.J.	2,647.9	(5.4)	117.7	173	25.2	2,248.2	160	1,233.8	117
154	171	**QUANTUM CHEMICAL** New York[23]	2,642.4*	26.2	251.6	87	232.8	2,581.2	146	1,045.4	141
155	154	**INTERCO** St. Louis[9]	2,613.7	4.1	98.6	190	6.8	1,720.7	193	1,148.9	125
156	152	**KERR-McGEE** Oklahoma City	2,608.0	2.9	81.0	214	—	3,071.0	119	1,363.0	106
157	174	**GREAT NORTHERN NEKOOSA** Stamford, Conn.	2,589.0	27.0	200.6	118	135.2	3,538.5	101	1,220.3	118
158	142	**FARMLAND INDUSTRIES** Kansas City, Mo.[24]	2,580.5	(4.1)	N.A.		—	1,067.7	262	364.4	296
159	223	**VF** Wyomissing, Pa.	2,573.8	66.6	179.7	131	38.9	1,925.7	181	980.6	147
160	162	**UPJOHN** Kalamazoo, Mich.	2,521.0	10.6	305.0	76	20.7	3,043.1	120	1,673.5	78
161	182	**AMERICAN PETROFINA** Dallas[25]	2,484.0	26.7	83.3	210	—	1,835.9	186	731.3	191
162	164	**R.R. DONNELLEY & SONS** Chicago	2,482.9	11.2	218.2	108	37.9	2,086.4	165	1,155.1	124
163	161	**ENGELHARD** Edison, N.J.	2,479.2	8.3	69.8	236	31.1	1,216.3	241	730.1	193
164	170	**EMHART** Farmington, Conn.	2,454.5	17.2	106.5	185	—	2,029.3	171	838.4	172
165	168	**HERSHEY FOODS** Hershey, Pa.	2,433.8	12.2	148.2	150	11.6	1,645.2	200	832.4	174
166	198	**PACCAR** Bellevue, Wash.	2,423.5	35.0	112.5	179	107.2	1,300.0	237	801.3	179
167	209	**REVLON GROUP** New York	2,398.3[10]	48.8	N.A.		—	N.A.		N.A.	
168	159	**JIM WALTER** Tampa[24]	2,386.3	2.8	166.1	138	19.9	2,931.7	123	1,249.2	113
169	187	**ARMSTRONG WORLD INDUSTRIES** Lancaster, Pa.	2,365.0	23.2	150.4	147	22.9	1,602.5	206	913.8	157
170	191	**ZENITH ELECTRONICS** Glenview, Ill.	2,362.7	24.9	(19.1)	448	—	1,373.0	228	478.2	259
171	185	**AMP** Harrisburg, Pa.	2,317.8	19.9	249.7	89	51.9	2,082.1	166	1,348.6	107
172	181	**GEO. A. HORMEL** Austin, Minn.[11]	2,314.1	18.1	45.9	298	17.6	698.0	343	373.1	295
173	173	**UNION CAMP** Wayne, N.J.	2,307.6	12.8	207.5	112	59.7	2,896.9	126	1,452.0	98
174	177	**STERLING DRUG** New York[26]	2,300.9	15.6	197.0	122	14.9	N.A.		N.A.	
175	178	**PITNEY BOWES** Stamford, Conn.	2,250.5	13.3	199.4	121	18.8	2,431.7	153	1,038.2	143
176	165	**KAISERTECH** Oakland[27]	2,226.6¶	(0.3)	(362.0)	476	—	2,591.9	145	815.9	177
177	172	**ROHM & HAAS** Philadelphia	2,203.0	6.6	195.5	123	41.7	1,954.0	178	1,053.0	139
178	183	**PREMARK INTERNATIONAL** Deerfield, Ill.	2,197.3	12.2	71.5	232	—	1,585.7	209	663.1	203
179	167	**LAND O'LAKES** Arden Hills, Minn.	2,188.5	(1.2)	N.A.		—	688.3	347	237.4	367
180	150	**B.F. GOODRICH** Akron	2,168.0	(15.1)	105.0**	188	221.1	1,938.5	180	1,005.3	145
181	176	**TRIBUNE** Chicago	2,160.0	6.4	141.5	159	(51.7)	2,758.4	134	1,094.9	128
182	153	**SQUIBB** Princeton, N.J.	2,156.5	(14.8)	358.4	61	(9.6)	2,782.4	133	1,525.5	94
183	179	**AIR PRODUCTS & CHEMICALS** Allentown, Pa.[5]	2,140.4	8.0	155.6	144	3,185.9	2,701.7	138	1,146.6	126
184	•	**UNIVERSAL** Richmond[3,28]	2,103.8	56.2	56.0	269	18.8	943.4	285	325.7	321
185	163	**SHERWIN-WILLIAMS** Cleveland	2,094.8¶	(7.0)	96.6	192	(8.8)	1,140.0	250	549.7	239
186	193	**CORNING GLASS WORKS** Corning, N.Y.	2,083.7	12.3	207.5	111	17.2	2,658.7	140	1,535.7	92
187	166	**HARRIS** Melbourne, Fla.[3]	2,079.0	(6.2)	84.5	209	41.8	1,796.4	189	984.3	146
188	189	**KNIGHT-RIDDER** Miami	2,072.6	8.5	155.2	145	10.8	1,985.4	173	901.5	160
189	195	**WEST POINT-PEPPERELL** West Point, Ga.[5]	2,067.4¶	14.0	71.6	231	31.4	1,563.4	210	786.3	181
190	188	**MANVILLE** Denver	2,063.2	7.4	72.6‡	228	(10.6)	2,715.9	136	1,114.5	127
191	•	**KNOLL INTERNATIONAL HOLDINGS** New York	2,036.7	77.7	(15.7)	442	—	1,796.5	188	51.0	469
192	197	**JOSEPH E. SEAGRAM & SONS** New York[29,30]	2,028.9*	12.1	337.6	67	36.7	6,301.4	55	3,730.2	37
193	230	**MASCO** Taylor, Mich.	2,023.3	39.3	218.8	107	7.6	2,850.1	128	1,370.9	105
194	184	**MORTON THIOKOL** Chicago[3]	1,987.3	1.9	138.0	163	3.8	1,666.0	198	940.0	152
195	199	**BLACK & DECKER** Towson, Md.[5]	1,934.8	8.0	55.6	272	781.4	1,668.0	197	649.1	206
196	204	**OLIN** Stamford, Conn.	1,930.0	13.0	78.0	218	3.7	1,685.0	196	700.0	199
197	220	**BAKER HUGHES** Houston[5,31]	1,923.6	23.5	(254.8)	475	—	2,188.6	163	915.5	156
198	224	**LOUISIANA-PACIFIC** Portland, Ore.	1,921.6	27.6	125.0	170	(33.5)	1,971.0	176	1,044.2	142
199	194	**MAYTAG** Newton, Iowa	1,908.8	3.8	152.7	146	37.3	854.9	308	415.1	280
200	256	**INTEL** Santa Clara, Calif.	1,907.1	50.8	248.1**	91	—	2,597.2	143	1,306.4	109

The definitions, explanations, and footnotes underlying the figures in this directory are on page D33.

151-200

MARKET VALUE		PROFITS AS PERCENT OF						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				INDUSTRY TABLE NUMBER	RANK
		SALES		ASSETS		STOCKHOLDERS' EQUITY			% change from 1986	1977-87 annual growth rate		1987		1977-87 annual average			
$ Millions	Rank	%	Rank	%	Rank	%	Rank	1987/$		%	Rank	%	Rank	%	Rank		
1,233.1	209	3.3	329	5.2	289	11.6	290	2.20	(6.6)	4.8	240	(7.6)	314	9.7	322	7	151
5,674.0	51	8.2	102	14.7	26	26.0	44	1.65	38.1	—		108.4	12	—		6	152
2,049.3	144	4.4	259	5.2	283	9.5	342	2.17	21.1	(0.7)	304	64.4	21	10.2	314	11	153
2,628.3	107	9.5	70	9.7	95	24.1	58	7.75	250.7	9.0	171	75.4	17	22.0	113	5	154
1,554.0	175	3.8	291	5.7	255	8.6	354	3.13	7.2	1.4	288	(9.3)	322	9.2	325	2	155
1,749.1	165	3.1	339	2.6	374	5.9	379	1.67	—	(3.2)	320	32.9	83	7.9	335	18	156
2,401.2	125	7.7	112	5.7	259	16.4	171	3.68	130.0	8.4	182	49.3	39	22.8	91	9	157
N.A.		—		—		—		N.A.	—	—		—		—		18	158
2,188.0	134	7.0	139	9.3	110	18.3	138	2.65	29.3	22.1	21	(18.9)	372	33.1	15	2	159
5,986.0	46	12.1	35	10.0	80	18.2	139	1.63	20.4	12.2	118	(2.1)	290	21.4	122	19	160
860.8	264	3.4	328	4.5	321	11.4	292	6.32	—	5.6	223	36.1	78	12.1	282	18	161
2,779.9	103	8.8	89	10.5	69	18.9	123	2.80	38.3	15.5	67	8.7	203	22.0	110	20	162
836.6	266	2.8	353	5.7	254	9.6	341	1.60	22.1	—		8.8	202	—		5	163
1,380.1	191	4.3	264	5.2	282	12.7	257	1.70	—	3.6	261	34.7	81	17.5	192	14	164
2,423.8	120	6.1	171	9.0	120	17.8	146	1.64	15.5	12.6	112	1.6	263	27.5	37	8	165
1,255.7	202	4.6	238	8.7	129	14.0	223	6.26	107.3	4.2	248	25.2	113	22.6	98	17	166
N.A.		—		—		—		N.A.	—	—		—		—		23	167
N.A.		7.0	140	5.7	260	13.3	238	4.09	10.2	5.8	220	62.1	24	19.4	162	4	168
1,662.9	170	6.4	164	9.4	107	16.5	170	3.18	25.2	15.2	77	10.7	182	19.6	160	24	169
456.8	344	—		—		—		(0.78)	—	—		(32.6)	420	2.6	376	7	170
5,526.2	54	10.8	52	12.0	51	18.5	131	2.31	52.0	12.9	106	31.6	85	20.3	147	7	171
970.3	246	2.0	380	6.6	216	12.3	272	1.20	18.2	7.7	193	26.7	108	26.0	57	8	172
2,519.0	112	9.0	79	7.2	193	14.3	215	2.83	60.2	6.0	214	9.6	192	14.1	252	9	173
N.A.		8.6	90	—		—		3.42	17.5	9.1	167	22.3	122	19.0	166	19	174
3,379.1	91	8.9	85	8.2	148	19.2	115	2.53	19.3	13.7	92	6.3	225	27.1	41	6	175
532.4	322	—		—		—		(8.11)	—	—		(19.8)	373	0.6	382	15	176
2,235.6	131	8.9	84	10.0	82	18.6	129	2.85	41.8	17.0	50	(7.2)	313	23.7	78	5	177
990.0	242	3.3	333	4.5	322	10.8	313	2.08	—	—		15.2	155	—		21	178
N.A.		—		—		—		N.A.	—	—		—		—		8	179
1,238.0	206	4.8	229	5.4	274	10.4§	320	4.06**	207.6	0.2	297	(2.0)	288	12.9	268	5	180
3,129.3	95	6.6	158	5.1	291	12.9	248	1.80	(50.4)	—		46.1	47	—		20	181
6,929.0	37	16.6	14	12.9	36	23.5	64	3.42	(7.2)	10.6	146	11.7	176	21.7	118	19	182
2,529.6	111	7.3	132	5.8	253	13.6	234	2.76	3,350.0	8.7	175	18.5	139	14.7	240	5	183
503.0	330	2.7	359	5.9	245	17.2	161	3.25	18.6	12.1	124	19.2	136	19.7	157	25	184
1,251.6	204	4.6	241	8.5	133	17.6	153	2.15	(6.9)	—		(10.1)	329	24.5	66	5	185
2,438.1	117	10.0	61	7.8	168	13.5	236	4.49	11.1	5.6	224	(12.9)	348	9.5	323	4	186
1,180.7	212	4.1	276	4.7	313	8.6	355	2.05	38.5	2.3	278	(10.2)	330	3.7	372	7	187
2,424.5	119	7.5	124	7.8	166	17.2	159	2.65	10.0	10.9	143	(12.7)	346	18.2	175	20	188
963.5	250	3.5	314	4.6	318	9.1	345	2.38	16.4	5.5	225	4.3	240	18.2	176	24	189
60.0	440	3.5	305	2.7	[illegible]	6.5	375	1.98‡	(15.4)	(8.4)	332	20.0	133	(20.4)	399	4	190
N.A.		—		—		—		(0.79)	—	—		—		—		21	191
N.A.		16.6	13	5.4	276	9.1	348	N.A.	—	—		—		—		3	192
3,447.3	88	10.8	51	7.7	172	16.0	182	1.65	5.8	13.3	99	(24.5)	388	17.9	183	10	193
2,147.9	137	6.9	141	8.3	142	14.7	208	2.90	3.6	13.2	101	8.9	201	20.2	148	5	194
1,074.8	227	2.9	349	3.3	353	8.6	356	0.95	763.6	(2.6)	317	18.4	141	5.0	362	11	195
1,135.9	219	4.0	278	4.6	316	11.1	305	3.38	0.6	0.4	295	6.1	228	14.8	239	5	196
2,044.9	145	—		—		—		(2.22)	—	—		17.8	144	4.5	367	11	197
1,088.3	225	6.5	159	6.3	227	12.0	283	3.27	(34.1)	6.8	205	(7.8)	316	14.2	249	9	198
1,797.6	162	8.0	107	17.9	11	36.8	16	1.91	48.6	11.5	131	(1.5)	285	19.7	155	7	199
5,302.5	58	13.0	30	9.6	103	19.0	121	1.38**	—	17.9	43	89.3	14	20.8	136	7	200

THE FORTUNE 500
LARGEST U.S. INDUSTRIAL CORPORATIONS

RANK 1987	RANK 1986	COMPANY	SALES $ Millions	SALES % change from 1986	PROFITS $ Millions	PROFITS Rank	PROFITS % change from 1986	ASSETS $ Millions	ASSETS Rank	STOCKHOLDERS' EQUITY $ Millions	STOCKHOLDERS' EQUITY Rank
201	196	**WESTVACO** New York[11]	1,903.6	5.1	146.2	154	35.2	2,211.0	161	1,178.4	123
202	169	**SINGER** Stamford, Conn.	1,902.7	(9.2)	26.4**	352	(68.0)	1,589.4	208	633.2	212
203	201	**PARKER HANNIFIN** Cleveland[3]	1,876.6	8.5	85.2	207	(3.4)	1,425.7	223	751.6	185
204	227	**NATIONAL SEMICONDUCTOR** Santa Clara, Calif.[7]	1,867.9	26.4	(24.6)**	452	—	1,499.4	213	891.1	161
205	203	**MACK TRUCKS** Allentown, Pa.	1,857.7	8.5	4.1	423	—	1,011.1	275	482.2	258
206	200	**PENNZOIL** Houston	1,786.5	0.2	44.3	302	(2.6)	3,304.7	107	621.3	216
207	226	**TYSON FOODS** Springdale, Ark.[5]	1,786.0	18.8	67.8	240	34.7	806.8	316	269.5	352
208	211	**POLAROID** Cambridge, Mass.	1,763.9	8.3	116.1	176	12.2	1,624.9	203	1,073.7	132
209	221	**STANLEY WORKS** New Britain, Conn.	1,763.1	13.8	86.6	205	10.1	1,387.5	227	625.6	214
210	222	**FORT HOWARD** Green Bay, Wis.	1,757.7	13.5	157.7	143	7.8	2,196.2	162	1,305.9	110
211	217	**MCGRAW-HILL** New York	1,751.2	11.1	164.8	139	7.0	1,637.6	201	825.3	176
212	215	**ETHYL** Richmond[6]	1,720.3	8.9	193.3	124	8.8	1,981.0	174	957.1	149
213	212	**CROWN CORK & SEAL** Philadelphia	1,717.9	6.1	88.3	202	11.2	1,058.3	263	645.6	208
214	316	**ILLINOIS TOOL WORKS** Chicago	1,698.4	76.7	106.2	186	33.4	1,284.9	239	608.5	222
215	219	**NEW YORK TIMES** New York	1,689.6	8.0	160.3	141	21.3	1,711.6	194	825.8	175
216	231	**TRINOVA** Maumee, Ohio	1,681.7	16.2	75.1	223	(38.7)	1,320.3	234	631.3	213
217	225	**SPRINGS INDUSTRIES** Fort Mill, S.C.	1,661.1	10.4	55.7	271	71.0	1,083.7	255	505.0	250
218	213	**COLT INDUSTRIES** New York	1,641.6	1.6	75.0	225	(15.9)	1,020.6	273	(968.9)	490
219	205	**INT'L MINERALS & CHEMICAL** Northbrook, Ill.[3]	1 637.5	(3.8)	21.1‡	380	—	2,434.2	152	1,069.0	135
220	208	**J.P. STEVENS** New York[11]	1,614.7	(3.4)	56.0	268	4.3	968.4	281	498.7	252
221	341	**PHELPS DODGE** Phoenix	1,611.7	90.5	205.7**	113	235.0	2,249.8	159	1,337.8	108
222	214	**GENERAL SIGNAL** Stamford, Conn.	1,603.0	1.2	69.4	239	(7.0)	1,397.4	226	907.2	159
223	244	**TEMPLE-INLAND** Diboll, Tex.	1,602.7	20.6	141.4	160	75.0	1,798.0	187	927.5	153
224	206	**KOPPERS** Pittsburgh	1,591.0	(6.2)	10.8	411	(86.0)	1,074.9	258	430.9	274
225	234	**DOVER** New York	1,585.5	10.1	111.7	180	33.2	1,150.2	248	671.9	202
226	248	**BECTON DICKINSON** Franklin Lakes, N.J.[5]	1,582.0	20.6	148.2	151	21.5	1,891.5	185	861.3	165
227	218	**MAPCO** Tulsa	1,580.9	0.7	108.4**	183	46.2	1,365.4	229	512.4	247
228	240	**INTERNATIONAL MULTIFOODS** Minneapolis[9]	1,533.4	13.1	51.5	284	106.7	644.7	367	330.0	316
229	228	**CENTRAL SOYA** Fort Wayne[24]	1,522.8	3.2	8.7	414	382.4	408.8	439	69.9	463
230	406	**FREEPORT-MCMORAN** New Orleans	1,514.4	140.5	248.8	90	867.9	3,155.1	112	734.7	190
231	310	**AMDAHL** Sunnyvale, Calif.	1,505.2	55.8	146.0	155	249.0	1,507.5	212	765.7	183
232	239	**GOLD KIST** Atlanta[3]	1,500.3	7.6	N.A.		—	543.3	389	185.2	406
233	237	**MID-AMERICA DAIRYMEN** Springfield, Mo.	1,499.7	5.6	N.A.		—	366.9	454	138.2	433
234	238	**SQUARE D** Palatine, Ill.	1,484.2	5.8	110.0	181	11.2	1,193.1	243	679.7	201
235	247	**MURPHY OIL** El Dorado, Ark.	1,474.0*	12.2	(43.6)	459	—	2,066.6	168	750.1	186
236	379	**MASCO INDUSTRIES** Taylor, Mich.	1,470.4	106.4	44.3	301	371.8	1,792.5	190	394.7	288
237	273	**AVERY INTERNATIONAL** Pasadena, Calif.[21]	1,465.5	29.6	34.7	326	(28.6)	1,050.8	267	465.9	264
238	254	**DEAN FOODS** Franklin Park, Ill.[7]	1,434.6	13.1	41.1	311	0.8	430.1	423	236.4	368
239	265	**WILLAMETTE INDUSTRIES** Portland, Ore.	1,431.6	19.3	121.3	172	62.5	1,180.6	246	615.8	218
240	241	**WITCO** New York	1,427.6	5.4	63.3	247	(2.9)	1,056.3	265	513.6	246
241	249	**CABOT** Waltham, Mass.[5]	1,424.0	8.7	28.7‡	343	(59.6)	1,463.1	221	590.7	227
242	158	**PENN CENTRAL** Cincinnati	1,421.4	(40.5)	36.2	322	(76.5)	2,492.9	149	1,656.9	80
243	250	**THOMAS J. LIPTON** Englewood Cliffs, N.J.[22]	1,413.1	8.4	108.6	182	18.7	850.6	309	553.0	238
244	318	**CHICAGO PACIFIC** Chicago	1,411.9	47.9	34.9	325	21.1	1,493.7	214	438.1	270
245	•	**RELIANCE ELECTRIC** Cleveland	1,408.0	5.8	4.0**	425	(86.7)	1,482.0	216	41.0	472
246	262	**HOLLY FARMS** Memphis[7,32]	1,406.6	15.6	71.7	229	95.6	685.4	349	343.2	310
247	284	**FIELDCREST CANNON** Eden, N.C.	1,399.8	29.2	(3.7)	435	—	881.6	299	259.1	357
248	245	**AMSTAR** Stamford, Conn.[3]	1,399.6¶	5.9	23.6	368	(32.1)	800.2	320	68.5	464
249	242	**TEKTRONIX** Beaverton, Ore.[7]	1,395.9	3.2	51.2	286	30.2	1,159.4	247	838.4	171
250	186	**ALLEGHENY INTERNATIONAL** Pittsburgh[5]	1,389.5¶	(27.8)	(451.2)	477	—	850.5	310	(260.9)	485

The definitions, explanations, and footnotes underlying the figures in this directory are on page D33.

201-250

MARKET VALUE		PROFITS AS PERCENT OF						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				INDUSTRY TABLE NUMBER	RANK
		SALES		ASSETS		STOCKHOLDERS' EQUITY			% change from	1977-87 annual growth rate		1987		1977-87 annual average			
$ Millions	Rank	%	Rank	%	Rank	%	Rank	1987/$	1986	%	Rank	%	Rank	%	Rank		
1,932.8	150	7.7	115	6.6	214	12.4	267	2.25	35.0	7.5	194	4.6	238	17.2	199	9	201
1,043.6	234	1.4	402	1.7	398	4.2	398	1.01**	(73.6)	(15.0)	350	26.5	109	10.4	309	7	202
1,694.5	167	4.5	247	6.0	242	11.3	294	1.88	(5.1)	4.0	249	44.6	52	17.4	194	1	203
1,222.8	211	—		—		—		(0.38)**	—	—		12.9	166	10.7	307	7	204
447.1	348	0.2	430	0.4	426	0.8	421	0.14	—	—		9.2	196	—		17	205
3,119.3	96	2.5	367	1.3	407	7.1§	368	0.69	(4.2)	(11.1)	340	9.0	198	22.2	106	18	206
890.3	259	3.8	289	8.4	137	25.1	49	1.06	34.7	39.5	7	(29.0)	408	46.4	1	8	207
2,074.3	142	6.6	157	7.1	194	10.8	312	1.88	12.6	3.0	267	(27.6)	405	9.5	324	22	208
1,237.9	207	4.9	223	6.2	233	13.8	224	2.00	7.5	8.1	183	4.1	241	17.8	188	14	209
2,689.0	105	9.0	81	7.2	190	12.1	277	2.34	7.3	10.7	145	(23.4)	384	18.5	172	9	210
2,796.8	102	9.4	73	10.1	78	20.0	99	3.27	7.6	12.1	122	(9.3)	323	21.7	119	20	211
2,596.4	108	11.2	45	9.8	92	20.2§	95	1.57	12.1	11.3	135	0.2	270	26.6	51	5	212
983.4	243	5.1	215	8.3	139	13.7	231	8.59	15.1	9.5	163	2.3	257	15.5	230	14	213
1,893.4	153	6.3	168	8.3	143	17.4	156	2.06	32.5	14.2	87	28.7	100	23.4	82	14	214
2,531.6	110	9.5	72	9.4	109	19.4	107	1.96	20.2	17.9	45	(11.9)	340	28.5	28	20	215
1,152.6	214	4.5	253	5.7	257	11.9	285	2.20	(36.8)	3.0	266	37.4	74	19.4	161	11	216
555.5	317	3.4	327	5.1	290	11.0	308	3.13	71.0	13.3	98	24.5	114	22.4	101	24	217
593.3	311	4.6	246	7.4	187	—		2.15	225.8	20.9	27	(2.5)	292	23.6	80	1	218
1,250.9	205	1.3	403	0.9	416	2.0	414	0.31‡	—	(22.7)	355	84.2	16	12.3	277	5	219
966.9	249	3.5	309	5.8	252	11.2	299	3.29	9.3	2.8	270	(21.0)	377	15.7	228	24	220
1,276.5	199	12.8	33	9.1	115	15.4§	191	6.48**	262.0	24.4	16	127.3	9	10.0	316	15	221
1,373.6	192	4.3	265	5.0	300	7.6	363	2.46	(5.4)	0.1	299	10.1	190	8.7	330	22	222
1,279.7	197	8.8	88	7.9	162	15.2	194	4.69	77.7	—		6.6	220	—		9	223
1,532.7	177	0.7	416	1.0	414	2.5§	408	2.44	16.7	(0.8)	305	10.2	189	8.7	329	16	224
2,053.9	143	7.0	135	9.7	97	16.6	168	3.31	36.8	12.2	120	43.0	56	22.1	108	11	225
2,482.5	114	9.4	75	7.8	164	17.2	160	3.57	25.3	11.3	136	3.3	250	15.0	237	22	226
1,048.1	231	6.9	144	7.9	157	21.2	80	5.20**	49.4	5.0	235	(17.1)	362	6.2	350	18	227
456.6	345	3.4	325	8.0	153	15.6§	188	3.64	79.6	7.9	188	14.7	158	12.0	284	8	228
N.A.		0.6	421	2.1	387	12.4	266	N.A.	—	—		—		—		8	229
1,839.2	159	16.4	15	7.9	160	33.9	21	3.38	789.5	25.8	14	49.3	40	24.3	69	16	230
1,886.6	154	9.7	65	9.7	98	19.1	120	2.82	227.9	2.0	281	51.7	35	11.3	296	6	231
N.A.		—		—		—		N.A.	—	—		—		—		8	232
N.A.		—		—		—		N.A.	—	—		—		—		8	233
1,491.3	183	7.4	128	9.2	113	16.2	175	3.82	11.7	4.5	242	16.6	148	13.3	265	7	234
944.0	253	—		—		—		(1.29)	—	—		(4.8)	300	9.1	326	18	235
1,024.3	237	3.0	343	2.5	379	11.2	300	0.45	350.0	—		(14.3)	355	—		14	236
1,041.5	235	2.4	372	3.3	356	7.5	367	0.81	(33.9)	7.3	199	4.8	237	21.4	123	9	237
800.9	273	2.9	351	9.1	116	17.4	157	1.54	0.7	15.4	71	(9.8)	327	29.8	21	8	238
1,149.7	215	8.5	92	10.3	76	19.7	103	4.78	62.6	9.5	162	9.1	197	17.1	201	9	239
804.4	271	4.4	261	6.0	240	12.3	269	2.72	(7.2)	7.9	187	(11.1)	335	20.8	135	18	240
967.9	248	2.0	378	2.0	392	4.9	392	1.04‡	(58.2)	(1.9)	311	11.7	178	20.0	152	5	241
1,624.3	172	2.5	364	1.5	402	2.2	411	0.46	(88.1)	—		(11.9)	341	—		15	242
N.A.		7.7	114	12.8	39	19.6	104	N.A.	—	—		—		—		8	243
353.7	376	2.5	368	2.3	383	8.0	360	3.61	8.1	—		(9.5)	325	—		7	244
N.A.		0.3	426	0.3	430	9.8	337	10.87**	—	—		—		—		7	245
523.6	326	5.1	217	10.5	68	20.9	83	4.31	92.4	18.6	38	(30.8)	416	19.9	154	8	246
238.8	408	—		—		—		(0.36)	—	—		(55.9)	438	6.3	349	24	247
N.A.		1.7	390	2.9	362	34.4	18	N.A.	—	—		—		—		8	248
790.4	279	3.7	299	4.4	328	6.1	378	1.33	35.0	0.7	293	(26.0)	393	4.4	369	22	249
29.9	444	—		—		—		(44.87)	—	—		(78.0)	442	(13.7)	397	7	250

THE FORTUNE 500

LARGEST U.S. INDUSTRIAL CORPORATIONS

RANK		COMPANY	SALES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
1987	1986		$ Millions	% change from 1986	$ Millions	Rank	% change from 1986	$ Millions	Rank	$ Millions	Rank
251	207	**NATIONAL GYPSUM** Dallas	1,379.8	(18.6)	(22.8)	451	—	1,978.1	175	159.3	420
252	298	**ARVIN INDUSTRIES** Columbus, Ind.	1,373.1	37.9	47.6	295	15.5	808.2	315	424.8	277
253	252	**NL INDUSTRIES** Houston	1,371.5	6.9	(19.9)	450	—	1,303.7	236	396.1	286
254	236	**SUNDSTRAND** Rockford, Ill.	1,365.5	(4.8)	34.6	327	(23.7)	1,480.2	217	595.0	226
255	291	**ASARCO** New York	1,355.2	28.3	279.3**	78	2,956.2	2,073.1	167	1,211.8	119
256	246	**ADOLPH COORS** Golden, Colo.	1,350.7*	2.7	48.1	293	(18.9)	1,456.5	222	1,031.8	144
257	300	**SEQUA** New York[33]	1,350.0¶	37.1	N.A.		—	N.A.		N.A.	
258	229	**WILSON FOODS** Oklahoma City[15]	1,347.6	(7.3)	5.6**	420	—	203.4	491	70.8	461
259	251	**PERKIN ELMER** Norwalk, Conn.[15]	1,333.6	3.3	(18.2)	446	—	1,399.8	225	695.6	200
260	266	**WEIRTON STEEL** Weirton, W.Va.	1,329.0	13.2	80.6	215	78.7	676.9	352	211.9	385
261	253	**NATIONAL SERVICE INDUSTRIES** Atlanta[24]	1,326.9	3.4	75.7	222	6.1	760.3	328	508.2	249
262	243	**HASBRO** Pawtucket, R.I.	1,326.1	(0.3)	48.2	291	(51.4)	1,076.0	257	641.5	210
263	263	**WASHINGTON POST** Washington	1,315.4	8.3	186.7	126	86.4	1,194.2	242	614.0	219
264	272	**DOW JONES** New York	1,314.4	15.8	203.0	115	10.7	1,942.6	179	847.5	170
265	313	**SONOCO PRODUCTS** Hartsville, S.C.	1,312.1	36.1	61.5	253	12.4	877.6	300	379.9	294
266	283	**DOW CORNING** Midland, Mich.	1,303.0	20.0	135.0	165	22.1	1,361.2	230	707.5	197
267	314	**NORTEK** Providence	1,303.0	35.3	(7.3)‡	437	—	1,129.2	251	222.8	375
268	307	**HARCOURT BRACE JOVANOVICH** Orlando, Fla.[6]	1,291.4¶	33.3	90.5‡	197	28.4	2,039.1	170	(1,382.7)	491
269	306	**OUTBOARD MARINE** Waukegan, Ill.[5]	1,289.2	32.7	61.8**	252	331.0	966.4	283	517.6	245
270	264	**CRANE** New York	1,284.0	6.6	59.3**	259	54.5	661.7	357	255.7	360
271	255	**DATA GENERAL** Westboro, Mass.[5]	1,274.3	0.5	(127.1)‡	473	—	1,069.2	261	588.2	229
272	277	**NORTON** Worcester, Mass.	1,260.9	13.9	66.5	241	—	1,037.8	269	518.9	244
273	261	**FLEETWOOD ENTERPRISES** Riverside, Calif.[13]	1,259.3	3.4	39.7	315	1.0	482.2	413	316.5	327
274	258	**UNION TEXAS PETROLEUM HOLDINGS** Houston	1,257.4	0.1	55.9	270	—	1,632.8	202	132.6	437
275	280	**INSPIRATION RESOURCES** New York	1,243.4	13.2	24.8**	363	(34.5)	894.7	296	353.8	304
276	305	**ESSELTE BUSINESS SYSTEMS** Garden City, N.Y.[34]	1,242.4	27.7	57.3	265	25.0	1,027.4	270	435.4	273
277	270	**EG&G** Wellesley, Mass.	1,235.9	7.9	55.5	274	23.5	515.5	402	217.4	378
278	235	**GOULD** Rolling Meadows, Ill.	1,233.4¶	(14.2)	(95.6)	467	—	1,182.8	245	477.1	260
279	325	**BOWATER** Darien, Conn.	1,231.0	33.8	81.1	213	64.1	1,699.8	195	786.6	180
280	290	**TIMKEN** Canton, Ohio	1,230.3	16.3	10.3	413	277.2	1,466.6	220	923.1	154
281	271	**E-SYSTEMS** Dallas	1,227.2	8.1	60.4	256	(1.9)	665.6	354	429.5	275
282	409	**COMPAQ COMPUTER** Houston	1,224.1	95.8	136.3	164	217.7	901.0	295	399.5	283
283	312	**LAFARGE** Reston, Va.	1,221.5	26.7	75.0	224	188.6	1,054.2	266	571.3	234
284	257	**FOSTER WHEELER** Clinton, N.J.	1,219.1	(3.1)	3.0	428	(89.2)	1,079.7	256	449.0	266
285	130	**MAXUS ENERGY** Dallas[35]	1,217.3¶	(60.5)	(539.6)	478	—	1,900.5	183	197.0	398
286	268	**DWG** Miami Beach[13]	1,213.6	4.4	13.2**	397	—	875.7	301	117.8	444
287	287	**NATIONAL STARCH & CHEMICAL** Bridgewater, N.J.[22]	1,207.9	13.6	92.2	195	28.4	940.5	286	498.4	253
288	358	**ARMTEK** New Haven, Conn.[5,36]	1,198.4	49.8	20.5	381	—	781.9	324	202.0	391
289	276	**PENNWALT** Philadelphia	1,196.8	8.1	52.4	280	0.9	1,041.7	268	475.1	262
290	363	**TOSCO** Santa Monica, Calif.	1,187.3	52.2	53.0**	278	201.2	559.4	383	201.0	395
291	274	**HARSCO** Wormleysburg, Pa.	1,169.2	3.4	63.3	248	36.4	802.3	319	444.0	268
292	304	**HIMONT** Wilmington, Del.[11,37]	1,165.0	19.6	226.9	103	133.1	1,512.4	211	1,072.2	134
293	390	**AM INTERNATIONAL** Chicago[15]	1,162.8	68.8	12.5**	409	118.5	1,074.4	259	260.9	355
294	275	**CERTAINTEED** Valley Forge, Pa.[38]	1,158.4	4.0	61.4	254	7.2	856.0	307	542.5	240
295	260	**FARMERS UNION CENTRAL EXCHANGE** St. Paul[5]	1,138.5	(6.7)	N.A.		—	639.1	368	281.5	345
296	282	**CLOROX** Oakland[8]	1,126.0	3.4	104.9	189	9.7	933.3	290	616.4	217
297	360	**TYCO LABORATORIES** Exeter, N.H.[7]	1,115.9	40.1	26.8	350	(28.5)	594.2	375	235.4	369
298	296	**AMERICAN GREETINGS** Cleveland[9]	1,102.5	8.9	63.4	246	(14.9)	1,022.6	272	524.4	242
299	329	**ECHLIN** Branford, Conn.[24]	1,099.7	21.9	45.6	299	(6.6)	869.1	304	603.5	224
300	315	**TYLER** Dallas	1,099.5	14.4	12.0‡	410	0.6	542.3	390	179.0	409

The definitions, explanations, and footnotes underlying the figures in this directory are on page D33.

251-300

MARKET VALUE		PROFITS AS PERCENT OF						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				INDUSTRY TABLE NUMBER	RANK
		SALES		ASSETS		STOCKHOLDERS' EQUITY			% change from 1986	1977-87 annual growth rate		1987		1977-87 annual average			
$ Millions	Rank	%	Rank	%	Rank	%	Rank	1987/$		%	Rank	%	Rank	%	Rank		
N.A.		—		—		—		(2.58)	—	—		—		—		4	251
430.7	353	3.5	312	5.9	247	11.2	302	2.41	(2.0)	0.8	292	(29.5)	413	13.8	256	17	252
461.8	342	—		—		—		(1.20)	—	—		10.5	185	4.5	366	5	253
969.2	247	2.5	365	2.3	382	5.8	380	1.85	(23.6)	(2.2)	313	(17.6)	364	5.6	356	1	254
1,068.5	228	20.6	8	13.5	32	23.1	69	5.34**	—	—		92.3	13	8.9	328	15	255
736.5	285	3.6	303	3.3	355	4.7	394	1.32	(20.0)	(3.7)	322	(28.3)	407	4.6	365	3	256
719.3	289	—		—		—		N.A.	—	—		(25.0)	389	16.0	223	1	257
99.2	434	0.4	424	2.8	371	7.9	361	0.67**	—	—		(15.3)	356	—		8	258
1,235.8	208	—		—		—		(0.40)	—	—		(4.1)	296	11.3	294	22	259
N.A.		6.1	174	11.9	54	38.0	14	N.A.	—	—		—		—		15	260
1,126.7	221	5.7	189	10.0	86	14.9	199	1.54	6.4	12.3	116	(2.0)	289	25.1	63	7	261
753.2	283	3.6	301	4.5	324	7.5	365	0.82	(52.0)	30.4	9	(31.7)	419	46.2	2	26	262
2,443.0	116	14.2	26	15.6	20	30.4	32	14.52	86.2	21.4	25	20.7	129	28.2	32	20	263
3,226.3	94	15.4	19	10.5	71	24.0	59	2.10	11.1	17.6	46	(22.3)	382	20.9	132	20	264
1,096.6	223	4.7	236	7.0	203	16.2	176	1.40	12.0	11.9	127	13.9	162	25.6	61	9	265
N.A.		10.4	58	9.9	90	19.1	118	N.A.	—	—		—		—		5	266
144.7	424	—		—		—		(0.46)‡	—	—		(45.7)	431	16.2	220	9	267
480.8	338	7.0	137	4.4	326	—		1.34‡	(29.8)	6.5	209	(53.5)	437	11.9	286	20	268
551.3	318	4.8	233	6.4	225	11.9	284	3.38**	297.6	8.4	180	(17.2)	363	12.3	276	11	269
678.9	294	4.6	239	9.0	121	23.2	66	2.63**	40.9	2.7	272	(1.4)	282	14.3	247	11	270
686.3	293	—		—		—		(4.71)‡	—	—		(20.3)	375	(0.7)	385	6	271
978.1	244	5.3	208	6.4	223	12.8	253	3.20	—	2.4	277	30.6	90	14.1	251	4	272
478.1	339	3.2	336	8.2	146	12.6	260	1.70	0.6	9.8	159	(29.9)	414	14.6	243	27	273
978.0	245	4.4	257	3.4	351	42.2§	9	0.05	—	—		—		—		16	274
429.5	354	2.0	379	2.8	369	7.0	370	0.38**	(35.6)	—		42.1	57	—		16	275
792.8	277	4.6	240	5.6	265	13.2	241	2.79	24.6	—		6.5	222	—		9	276
1,027.0	236	4.5	250	10.8	66	25.5	47	2.00	21.2	17.0	49	19.6	134	24.1	72	22	277
561.7	316	—		—		—		(2.12)	—	—		(26.2)	396	(4.2)	390	6	278
1,281.9	196	6.6	156	4.8	310	10.3	325	2.13	41.1	—		(0.8)	278	—		9	279
997.6	239	0.8	412	0.7	422	1.1	419	0.78	254.5	(19.3)	353	41.7	58	6.1	352	11	280
928.5	255	4.9	222	9.1	119	14.1	222	1.95	(2.5)	7.9	186	(10.0)	328	21.2	127	7	281
1,799.5	161	11.1	46	15.1	21	34.1	20	3.59	136.2	—		187.7	2	—		6	282
663.4	298	6.1	170	7.1	196	13.1	243	1.65	184.5	—		30.3	92	—		4	283
487.6	336	0.2	428	0.3	429	0.7	422	0.09	(88.9)	(19.9)	354	7.5	216	10.2	313	11	284
660.6	299	—		—		—		(6.23)	—	—		(26.8)	398	(4.8)	391	16	285
121.2	427	1.5	398	2.1	389	15.5	190	0.58**	—	5.1	234	166.7	5	16.7	213	24	286
N.A.		7.6	116	9.8	91	18.5	132	N.A.	—	—		—		—		5	287
266.9	399	1.7	389	2.6	375	10.1	329	2.08	—	0.2	298	28.4	102	15.9	224	21	288
604.6	309	4.4	263	5.0	298	11.0	307	4.02	10.4	(0.5)	302	(6.2)	305	8.0	334	5	289
90.7	438	4.5	255	9.5	105	26.3	43	0.63**	18.9	1.6	285	(12.5)	344	(9.8)	394	18	290
905.2	257	5.4	201	7.9	159	14.3	216	2.20	41.0	3.9	254	11.4	179	17.8	186	14	291
2,593.4	109	19.5	9	15.0	22	21.2	78	3.77	73.7	—		5.0	235	—		5	292
231.9	409	1.1	407	1.2	410	4.8	393	0.11**	83.3	—		(25.5)	391	(10.8)	396	11	293
895.0	258	5.3	206	7.2	191	11.3	296	3.23	7.0	(1.3)	308	(17.7)	365	3.9	371	4	294
N.A.		—		—		—		N.A.	—	—		—		—		18	295
1,700.9	166	9.3	76	11.2	60	17.0	165	1.96	8.9	10.5	148	11.9	175	20.6	140	23	296
916.0	256	2.4	370	4.5	323	11.4	293	1.54	(29.0)	11.7	128	12.7	171	33.4	13	14	297
571.6	314	5.7	187	6.2	236	12.1	276	1.97	(15.1)	12.6	111	(45.0)	429	11.1	300	20	298
868.8	260	4.1	272	5.3	281	7.6	364	0.88	(20.7)	4.6	241	(26.1)	395	10.9	303	17	299
227.8	412	1.1	406	2.2	385	6.7	371	0.68‡	3.0	(2.9)	318	(11.8)	339	8.1	333	5	300

THE FORTUNE 500

LARGEST U.S. INDUSTRIAL CORPORATIONS

RANK		COMPANY	SALES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
1987	1986		$ Millions	% change from 1986	$ Millions	Rank	% change from 1986	$ Millions	Rank	$ Millions	Rank
301	294	**JEFFERSON SMURFIT** St. Louis[39]	1,099.5	5.3	92.0	196	228.5	691.4	346	218.1	377
302	299	**BROWN-FORMAN** Louisville[13]	1,098.1*	10.4	89.6	198	3.7	1,056.7	264	589.7	228
303	233	**CYCLOPS INDUSTRIES** Pittsburgh[40]	1,097.8¶	(23.8)	(17.0)	444	—	375.5	450	(3.3)	477
304	126	**CHESEBROUGH-POND'S** Greenwich, Conn.[22]	1,087.2	(60.2)	76.2	221	(52.2)	732.9	335	N.A.	
305	293	**CROWN CENTRAL PETROLEUM** Baltimore	1,086.8*	3.4	31.8	335	—	418.3	434	168.9	413
306	286	**BROCKWAY** Jacksonville, Fla.	1,082.4	1.6	40.8	312	34.6	535.6	394	276.4	350
307	288	**HARTMARX** Chicago[21]	1,080.4	1.6	41.3	308	66.6	660.3	359	343.9	309
308	303	**MCCORMICK** Hunt Valley, Md.[21]	1,078.5	10.5	30.6	340	2.8	718.0	336	280.6	348
309	321	**FEDERAL-MOGUL** Southfield, Mich.	1,075.4	14.2	41.1	310	1,041.1	803.6	318	341.7	313
310	317	**VULCAN MATERIALS** Birmingham, Ala.	1,063.1¶	11.0	116.2	175	24.7	928.5	291	571.7	233
311	285	**BALL** Muncie, Ind.	1,054.1	(1.5)	66.3	242	12.6	794.9	321	397.4	285
312	351	**LIZ CLAIBORNE** North Bergen, N.J.	1,053.3	29.5	114.4	177	32.7	482.4	412	357.0	300
313	297	**GENERAL CINEMA** Chestnut Hill, Mass.[11]	1,052.9	4.0	69.4	238	(44.8)	1,647.4	199	542.3	241
314	347	**HARNISCHFEGER INDUSTRIES** Brookfield, Wis.[11]	1,049.4	26.4	22.9**	372	1,649.3	1,070.7	260	323.4	324
315	319	**CLARK EQUIPMENT** South Bend, Ind.	1,048.2	9.9	(16.6)	443	—	883.6	298	359.5	299
316	337	**SMITHFIELD FOODS** Arlington, Va.[13]	1,046.6	21.1	6.6‡	418	41.8	130.4	494	34.3	473
317	308	**GERBER PRODUCTS** Fremont, Mich.[41]	1,045.8¶	8.1	28.5	345	(37.4)	716.8	337	328.8	318
318	365	**TANDEM COMPUTERS** Cupertino, Calif.[5]	1,035.5	34.9	105.6	187	65.6	967.2	282	720.9	196
319	320	**FEDERAL PAPER BOARD** Montvale, N.J.	1,025.7	8.1	65.8‡	243	257.2	1,183.5	244	520.8	243
320	324	**FIGGIE INTERNATIONAL** Richmond	1,022.7	11.2	49.3	289	16.3	664.1	355	322.6	325
321	328	**HOUSEHOLD MANUFACTURING** Prospect Heights, Ill.[42]	1,020.3¶	12.1	57.5	261	—	693.1	345	325.8	320
322	289	**MATTEL** Hawthorne, Calif.[29]	1,020.1	(3.6)	(113.2)	472	—	774.6	325	104.5	451
323	361	**RUBBERMAID** Wooster, Ohio	1,015.0	27.6	84.5	208	20.7	716.0	338	435.9	272
324	301	**LUBRIZOL** Wickliffe, Ohio	1,013.4	3.8	81.3	212	4.0	939.4	288	621.6	215
325	259	**FRUIT OF THE LOOM** Chicago[43]	1,013.0¶	(18.7)	(13.4)‡	440	—	1,609.6	204	193.1	399
326	323	**WHEELING-PITTSBURGH STEEL** Pittsburgh	1,001.4	7.2	(65.7)**	463	—	1,002.5	276	(282.7)	486
327	311	**A.O. SMITH** Milwaukee	998.8	3.5	18.4**	395	(36.4)	682.0	350	291.7	341
328	436	**ADVANCED MICRO DEVICES** Sunnyvale, Calif.	997.1	73.1	(48.1)	462	—	1,113.7	253	659.9	205
329	333	**CHAMPION SPARK PLUG** Toledo	995.6	12.6	19.1	391	10.9	653.0	364	387.4	291
330	302	**POTLATCH** San Francisco	992.1	1.6	87.6	203	25.3	1,306.6	235	638.0	211
331	353	**ECOLAB** St. Paul[3,44]	989.3	21.7	52.2	282	19.5	982.4	278	290.3	342
332	326	**VARIAN ASSOCIATES** Palo Alto, Calif.[5]	982.8	7.7	21.4	377	—	829.6	312	438.1	269
333	389	**YORK INTERNATIONAL** York, Pa.	963.1	39.6	27.6	348	236.3	505.4	404	213.8	381
334	338	**PRIME COMPUTER** Natick, Mass.	960.9	11.7	64.8	245	38.0	1,334.6	233	503.8	251
335	481	**SEAGATE TECHNOLOGY** Scotts Valley, Calif.[3]	958.1	108.3	139.7	161	304.6	814.1	314	354.0	303
336	350	**MACMILLAN** New York	955.8	16.9	70.7	233	18.8	937.1	289	342.6	311
337	348	**TECUMSEH PRODUCTS** Tecumseh, Mich.	951.2	15.8	71.6	230	41.2	764.0	327	575.7	232
338	354	**PACIFIC RESOURCES** Honolulu	949.6	17.0	6.1**	419	(77.9)	537.7	393	199.4	397
339	335	**DELUXE CHECK PRINTERS** St. Paul	948.0	9.4	148.5	149	22.6	866.3	305	490.8	257
340	344	**GENERAL INSTRUMENT** New York[9]	947.2	12.6	(80.4)	466	—	940.3	287	467.5	263
341	359	**RAYCHEM** Menlo Park, Calif.[3]	944.4	18.4	73.6	227	50.8	926.9	292	570.9	235
342	336	**BEMIS** Minneapolis	930.0	7.6	32.0	334	24.7	545.3	387	216.2	379
343	342	**RORER GROUP** Fort Washington, Pa.	928.8	10.0	54.3	276	(56.8)	1,240.5	240	404.3	281
344	•	**ARISTECH CHEMICAL** Pittsburgh	918.8	22.4	69.7	237	46.4	551.2	384	362.7	298
345	•	**FISHER SCIENTIFIC GROUP** La Jolla, Calif.[45]	908.3	14.4	30.9	338	—	550.0	385	294.7	339
346	309	**FAIRCHILD INDUSTRIES** Chantilly, Va.	897.1¶	(7.3)	23.1**	371	—	475.8	415	46.6	471
347	402	**SAVANNAH FOODS & INDUSTRIES** Savannah	878.7	38.5	14.0	402	34.8	359.1	459	119.5	443
348	269	**MINSTAR** Minneapolis	877.2¶	(24.1)	(2.5)‡	433	—	503.6	406	159.1	421
349	377	**FERRO** Cleveland	871.1	20.1	31.7	336	31.6	532.0	398	259.8	356
350	•	**ALLEGHENY LUDLUM** Pittsburgh	866.6	18.3	46.2	297	53.6	649.0	365	209.3	387

The definitions, explanations, and footnotes underlying the figures in this directory are on page D33.

301-350

MARKET VALUE		PROFITS AS PERCENT OF						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				INDUSTRY TABLE NUMBER	RANK
		SALES		ASSETS		STOCKHOLDERS' EQUITY			% change from	1977-87 annual growth rate		1987		1977-87 annual average			
$ Millions	Rank	%	Rank	%	Rank	%	Rank	1987/$	1986	%	Rank	%	Rank	%	Rank		
1,064.6	229	8.4	95	13.3	34	42.2	8	4.77	226.7	—		33.2	82	—		9	301
1,500.3	181	8.2	103	8.5	132	15.2	195	2.78	3.7	16.3	58	(10.7)	333	21.2	126	3	302
169.9	417	—		—		—		(2.53)	—	—		—		—		15	303
N.A.		7.0	136	10.4	73	N.A.		—	—	—		—		—		23	304
94.1	435	2.9	346	7.6	176	18.8§	125	3.78	—	4.0	250	10.6	184	6.6	346	18	305
N.A.		3.8	294	7.6	175	14.7	204	3.26	33.6	6.1	213	111.7	11	20.6	139	4	306
524.2	325	3.8	287	6.2	232	12.0	282	2.01	67.5	9.7	161	35.3	80	27.1	42	2	307
498.8	332	2.8	352	4.3	332	10.9	311	2.59	5.3	6.7	206	(5.3)	301	12.3	280	8	308
517.9	327	3.8	286	5.1	292	12.0	278	3.24	1,057.1	3.6	258	(12.8)	347	17.8	187	17	309
1,512.0	178	10.9	48	12.5	43	20.3	93	10.94	30.2	12.4	114	7.9	207	24.1	73	16	310
801.4	272	6.3	166	8.3	140	16.7	167	2.80	9.4	12.9	107	2.7	253	27.3	40	14	311
1,470.4	186	10.9	50	23.7	5	32.1	29	1.32	32.0	—		(22.3)	381	—		2	312
1,228.9	210	6.6	155	4.2	334	12.8	254	0.94	(45.2)	15.2	74	(11.4)	336	20.1	151	3	313
544.7	319	2.2	374	2.1	386	7.1§	369	0.96**	—	(9.1)	333	30.3	93	3.2	375	11	314
426.4	356	—		—		—		(0.95)	—	—		22.2	124	1.1	381	11	315
113.2	432	0.6	418	5.1	297	19.3	113	1.48‡	51.8	13.4	96	31.0	88	32.7	16	8	316
835.9	267	2.7	357	4.0	338	8.7	352	1.42	(36.3)	1.5	286	(14.1)	354	16.1	221	8	317
1,944.7	149	10.2	59	10.9	64	14.6	209	1.08	50.0	59.7	3	60.6	26	35.6	8	6	318
794.9	275	6.4	162	5.6	268	12.6	259	3.27‡	289.3	12.3	117	45.3	51	23.2	87	9	319
515.5	328	4.8	231	7.4	183	15.3	193	7.02	11.3	15.9	63	39.2	66	27.0	46	11	320
N.A.		5.6	193	8.3	141	17.7	149	N.A.	—	—		—		—		14	321
280.6	394	—		—		—		(2.11)	—	—		(16.7)	358	(0.4)	384	26	322
1,752.0	164	8.3	96	11.8	56	19.4	109	1.15	19.8	15.5	69	3.9	243	26.3	52	21	323
1,475.6	185	8.0	106	8.7	128	13.1	245	2.06	4.6	3.4	263	7.8	208	10.8	304	5	324
369.3	371	—		—		—		(0.40)‡	—	—		—		—		2	325
50.5	441	—		—		—		(14.61)**	—	—		(12.9)	349	(2.6)	389	15	326
150.6	422	1.8	386	2.7	372	6.3	377	1.74**	(43.3)	(3.7)	323	(31.3)	417	7.7	340	17	327
991.2	241	—		—		—		(0.72)	—	—		(28.2)	406	19.6	159	7	328
460.0	343	1.9	383	2.9	364	4.9	389	0.50	—	(9.1)	334	6.2	227	6.2	351	7	329
839.3	265	8.8	87	6.7	209	13.7	228	3.13	25.7	4.3	245	1.0	267	11.3	295	9	330
734.6	286	5.3	207	5.3	279	18.0	142	1.95	20.4	8.5	178	4.4	239	11.8	287	23	331
637.3	301	2.2	375	2.6	377	4.9	391	0.98	—	1.7	284	7.5	214	11.1	301	7	332
260.0	402	2.9	350	5.5	272	12.9	249	2.82	220.5	—		47.7	43	—		11	333
794.7	276	6.7	148	4.9	306	12.9	251	1.32	36.1	28.4	10	(5.3)	302	23.7	79	6	334
1,054.9	230	14.6	22	17.2	14	39.5	12	2.81	290.3	—		(22.2)	381	—		7	335
1,500.0	182	7.4	129	7.5	179	20.6	89	2.74	11.1	14.9	79	38.3	71	31.3	20	20	336
795.9	274	7.5	121	9.4	108	12.4	264	13.09	41.2	6.2	211	10.4	188	13.9	253	11	337
199.8	414	0.6	417	1.1	411	3.1	405	0.15**	(89.4)	(10.7)	339	(31.4)	418	15.4	232	18	338
2,290.9	129	15.7	18	17.1	15	30.3	34	1.74	22.5	20.1	29	(29.0)	410	26.2	53	20	339
1,136.7	218	—		—		—		(2.49)	—	—		64.8	20	17.1	202	7	340
1,866.4	157	7.8	111	7.9	155	12.9	250	6.74	44.9	16.1	61	51.3	37	18.1	179	7	341
492.8	333	3.4	318	5.9	248	14.8	203	1.18	(36.2)	3.6	259	38.8	70	27.5	38	9	342
1,127.9	220	5.9	182	4.4	329	13.4	237	1.67	(71.1)	4.0	252	(1.1)	280	14.5	244	19	343
777.2	280	7.6	119	12.6	41	19.2	114	2.71	—	—		51.6	36	—		5	344
668.2	297	3.4	321	5.6	263	10.5	318	0.85	—	—		—		—		22	345
120.2	428	2.6	363	4.8	307	49.5§	4	0.84**	—	0.2	296	(11.0)	334	6.4	348	1	346
184.9	416	1.6	392	3.9	341	11.7	288	2.11	35.3	10.0	157	21.6	126	28.7	27	8	347
316.4	383	—		—		—		(0.15)‡	—	—		(1.1)	281	22.0	112	27	348
386.3	366	3.6	300	6.0	244	12.2	275	2.30	283.3	5.2	232	19.2	135	13.8	257	5	349
595.4	310	5.3	203	7.1	195	22.1	71	2.27	—	—		—		—		15	350

THE FORTUNE 500
LARGEST U.S. INDUSTRIAL CORPORATIONS

RANK 1987	RANK 1986	COMPANY	SALES $ Millions	SALES % change from 1986	PROFITS $ Millions	PROFITS Rank	PROFITS % change from 1986	ASSETS $ Millions	ASSETS Rank	STOCKHOLDERS' EQUITY $ Millions	STOCKHOLDERS' EQUITY Rank
351	362	**A.H. ROBINS** Richmond	855.8	8.3	(1,632.4)	479	—	1,025.2	271	(1,530.6)	492
352	370	**NUCOR** Charlotte, N.C.	851.0	12.7	50.5	288	8.8	654.1	362	428.0	276
353	331	**QUAKER STATE** Oil City, Pa.	848.0	(5.7)	(48.1)	461	—	612.6	372	320.3	326
354	375	**NALCO CHEMICAL** Naperville, Ill.	841.9	14.4	80.3	216	26.0	746.9	333	446.8	267
355	384	**BAUSCH & LOMB** Rochester, N.Y.	840.3	20.2	85.3	206	14.3	979.0	279	576.6	231
356	372	**GAF** Wayne, N.J.	836.9	11.0	237.6**	96	194.4	1,297.8	238	508.3	248
357	340	**CINCINNATI MILACRON** Cincinnati	828.0	(2.6)	(80.0)	465	—	706.5	341	214.9	380
358	376	**INTERLAKE** Oak Brook, Ill.	823.1	11.8	54.4	275	67.0	693.8	344	281.3	346
359	•	**AMSTED INDUSTRIES** Chicago[5]	822.7	2.1	(19.3)	449	—	646.0	366	N.A.	
360	387	**TELEX** Tulsa[41]	821.9	18.3	77.2	219	14.4	618.2	370	351.4	305
361	349	**LOUISIANA LAND & EXPLORATION** New Orleans	819.1	0.1	24.8	362	—	1,607.1	205	586.7	230
362	371	**WORTHINGTON INDUSTRIES** Columbus, Ohio[7]	818.8	8.6	42.1	306	0.4	455.2	420	260.9	354
363	366	**CF INDUSTRIES** Long Grove, Ill.	809.6	5.7	N.A.		—	856.1	306	476.9	261
364	369	**MOHASCO** Fairfax, Va.	806.9	6.5	12.7‡	406	(19.8)	371.3	452	229.0	372
365	460	**DANAHER** Washington	802.7¶	53.2	19.0	392	23.2	655.3	361	103.3	452
366	385	**FLOWERS INDUSTRIES** Thomasville, Ga.[3]	797.2	14.1	27.6	347	(6.4)	399.4	444	177.7	412
367	355	**CYPRUS MINERALS** Englewood, Colo.	795.3	(1.9)	26.2	354	23.8	1,147.6	249	849.6	168
368	411	**PENTAIR** St. Paul	789.2	26.5	21.9	374	43.6	440.4	428	208.6	388
369	373	**BRIGGS & STRATTON** Wauwatosa, Wis.[3]	784.7	5.2	26.6	351	(21.9)	451.9	422	296.3	337
370	396	**DEXTER** Windsor Locks, Conn.	782.8	20.4	42.8	305	27.2	605.8	373	293.8	340
371	383	**WM. WRIGLEY JR.** Chicago	781.1	11.7	70.1	234	30.3	407.3	441	289.0	343
372	392	**SEALED POWER** Muskegon, Mich.	774.2	16.3	26.1	355	(8.4)	562.4	380	288.2	344
373	346	**FUQUA INDUSTRIES** Atlanta	772.3	(7.0)	62.9	249	59.1	748.5	331	308.7	331
374	424	**ANCHOR GLASS CONTAINER** Tampa[46]	766.1	30.4	20.0	383	(9.5)	766.0	326	86.7	456
375	357	**UNITED MERCHANTS & MANUFACTURERS** New York[3]	762.1	(5.0)	(15.3)	441	—	545.2	388	100.4	454
376	334	**LONE STAR INDUSTRIES** Greenwich, Conn.	760.8	(13.9)	57.2	266	(51.3)	1,492.8	215	646.9	207
377	330	**INTERNATIONAL CONTROLS** Boca Raton, Fla.	760.4[10]	(15.7)	N.A.		—	N.A.		N.A.	
378	391	**SNAP-ON TOOLS** Kenosha, Wis.	754.3	12.6	88.6	200	35.3	615.8	371	457.5	265
379	386	**STORAGE TECHNOLOGY** Louisville, Ky.	750.0	7.8	26.0‡	356	(28.1)	786.1	323	233.4	371
380	380	**INTERSTATE BAKERIES** Kansas City, Mo.[7]	749.3	5.8	13.9	403	(9.0)	246.7	483	102.3	453
381	412	**INTERNATIONAL FLAVORS & FRAGRANCES** New York	745.9	20.2	107.0	184	24.9	874.6	302	659.9	204
382	395	**CONSOLIDATED PAPERS** Wisconsin Rapids, Wis.	742.8	13.8	95.8	193	9.4	804.4	317	608.4	223
383	339	**BELL & HOWELL** Skokie, Ill.	726.9	(14.8)	61.4	255	86.5	746.9	332	324.6	322
384	400	**HILLENBRAND INDUSTRIES** Batesville, Ind.[21]	724.6	13.0	57.4	263	13.7	660.5	358	312.4	329
385	410	**OCEAN SPRAY CRANBERRIES** Plymouth, Mass.[24]	722.7	15.8	N.A.		—	417.4	435	149.0	428
386	•	**NEWELL** Freeport, Ill.[47]	719.7	79.3	37.2	318	55.0	842.0	311	354.6	301
387	374	**INSILCO** Meriden, Conn.	718.3¶	(3.6)	(10.7)	438	—	653.6	363	300.3	335
388	403	**MEDIA GENERAL** Richmond	715.3	12.7	42.9	304	150.9	829.3	313	348.4	307
389	414	**ROPER** Augusta, Ga.[15]	714.1	16.4	19.9	384	37.0	250.2	481	81.0	457
390	418	**UNIVERSAL FOODS** Milwaukee[5]	709.9	17.8	24.8	361	60.7	391.7	445	183.0	408
391	382	**DENNISON MANUFACTURING** Framingham, Mass.	708.0	1.0	34.4	328	13.7	490.7	409	234.4	370
392	430	**GEORGIA GULF** Atlanta	707.4	21.3	81.9**	211	109.2	308.6	471	142.5	430
393	423	**KAMAN** Bloomfield, Conn.	707.0	20.3	24.1	366	19.2	372.3	451	157.3	423
394	364	**ALLIS-CHALMERS** West Allis, Wis.	698.6¶	(9.4)	(29.3)	453	—	409.0	438	(4.2)	478
395	447	**SHAW INDUSTRIES** Dalton, Ga.[3]	694.2	26.2	28.5	344	18.5	362.8	456	152.6	425
396	393	**LORAL** New York[41]	690.0	4.0	57.5	262	8.4	1,466.9	219	362.9	297
397	421	**CRAY RESEARCH** Minneapolis	687.3	15.2	147.1	152	17.8	902.3	294	610.6	220
398	•	**HARLEY-DAVIDSON** Milwaukee	685.4	132.1	21.2**	379	335.5	382.8	447	62.9	468
399	397	**EAGLE-PICHER INDUSTRIES** Cincinnati[21]	677.2	4.5	40.0	314	3.0	498.1	408	206.8	389
400	408	**AG PROCESSING** Omaha[24]	676.3	8.1	N.A.		—	159.1	493	75.7	459

The definitions, explanations, and footnotes underlying the figures in this directory are on page D33.

351-400

MARKET VALUE		PROFITS AS PERCENT OF						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				INDUSTRY TABLE NUMBER	RANK
		SALES		ASSETS		STOCKHOLDERS' EQUITY			% change from	1977-87 annual growth rate		1987		1977-87 annual average			
$ Millions	Rank	%	Rank	%	Rank	%	Rank	1987/$	1986	%	Rank	%	Rank	%	Rank		
628.2	306	—		—		—		(67.53)	—	—		160.3	6	10.2	312	19	351
863.7	263	5.9	178	7.7	171	11.8	287	2.39	10.1	14.1	89	31.1	86	26.7	49	15	352
612.8	308	—		—		—		(1.82)	—	—		(36.8)	423	7.7	339	18	353
1,468.1	187	9.5	69	10.7	67	18.0	143	2.03	25.3	4.9	236	25.3	112	14.3	246	5	354
1,274.2	200	10.2	60	8.7	125	14.8	202	2.81	13.8	10.1	155	(9.8)	326	15.7	229	22	355
1,476.4	184	28.4	4	18.3	10	46.7	6	6.96**	(13.9)	—		22.7	121	27.0	45	5	356
581.8	312	—		—		—		(3.35)	—	—		7.9	206	14.6	242	11	357
477.4	340	6.6	154	7.8	163	19.3	112	4.69	64.6	11.5	132	13.4	165	20.9	131	14	358
N.A.		—		—		—		N.A.	—	—		—		—		15	359
751.7	284	9.4	74	12.5	44	22.0	72	5.24	13.9	24.6	15	(15.3)	357	33.6	11	6	360
1,045.7	233	3.0	341	1.5	401	4.2	397	0.80	—	(11.3)	342	29.3	97	11.0	302	16	361
868.4	261	5.1	214	9.3	111	16.2	177	1.02	0.7	11.4	134	4.1	242	18.6	171	15	362
N.A.		—		—		—		N.A.	—	—		—		—		5	363
396.6	364	1.6	394	3.4	352	5.5	383	0.92‡	(19.8)	2.4	276	(3.6)	294	13.7	258	10	364
268.0	398	2.4	373	2.9	366	18.4	136	0.85	12.6	(3.5)	321	37.4	75	20.5	141	17	365
672.6	296	3.5	310	6.9	205	15.6	189	1.18	(6.3)	10.4	151	24.0	116	29.6	24	8	366
632.2	305	3.3	331	2.3	384	3.1	406	1.02	25.9	—		49.2	41	—		16	367
241.1	407	2.8	356	5.0	301	10.5	319	2.15	22.2	3.4	262	(16.8)	359	22.2	105	11	368
455.6	347	3.4	323	5.9	246	9.0	349	1.84	(22.0)	(2.2)	314	(20.1)	374	5.7	355	11	369
636.0	304	5.5	200	7.1	199	14.6	210	1.72	27.4	7.7	190	7.6	211	17.0	205	5	370
1,582.9	173	9.0	80	17.2	13	24.3	55	3.37	32.2	10.5	149	55.6	31	16.7	214	8	371
443.2	350	3.4	324	4.6	315	9.1	347	2.12	(8.6)	5.7	221	17.8	146	18.1	177	17	372
636.3	303	8.2	104	8.4	136	20.4	92	2.92	57.0	21.2	26	26.8	107	33.3	14	11	373
264.2	401	2.6	361	2.6	376	23.1	68	1.45	57.6	—		50.3	38	—		4	374
45.5	442	—		—		—		(1.67)	—	—		(68.8)	441	—		24	375
491.0	335	7.5	123	3.8	343	8.8§	351	3.04	(56.6)	1.3	290	(29.9)	413	7.9	338	4	376
N.A.		—		—		—		N.A.	—	—		—		—		27	377
1,642.6	171	11.7	39	14.4	28	19.4	110	2.13	34.0	14.1	88	38.2	73	21.3	125	14	378
456.2	346	3.5	311	3.3	354	11.1	304	0.11‡	(89.3)	(15.5)	351	(46.4)	431	(10.1)	395	6	379
168.6	418	1.9	385	5.7	261	13.6	233	1.81	(11.6)	6.9	204	(27.2)	402	11.5	291	8	380
1,882.5	155	14.3	24	12.2	48	16.2	174	2.83	23.6	8.5	177	22.2	123	10.8	305	23	381
1,503.6	180	12.9	32	11.9	53	15.7	186	4.40	9.5	13.2	102	12.2	173	27.7	34	9	382
649.9	300	8.4	94	8.2	147	18.9	122	5.78	86.5	10.9	142	63.4	23	22.8	90	20	383
1,143.7	216	7.9	109	8.7	126	18.4	135	1.51	15.7	16.0	62	7.6	210	29.7	22	14	384
N.A.		—		—		—		N.A.	—	—		—		—		8	385
434.0	351	5.2	213	4.4	327	10.5	317	2.75	26.7	11.2	137	7.0	218	22.3	104	14	386
421.4	358	—		—		—		(0.50)	—	—		(18.2)	368	12.3	279	5	387
1,322.4	194	6.0	175	5.2	285	12.3	271	1.50	150.0	12.7	110	72.3	18	28.4	30	20	388
406.8	363	2.8	355	7.9	154	24.5	52	2.12	55.3	19.1	34	(13.6)	351	23.8	77	11	389
361.6	373	3.5	306	6.3	228	13.6	235	2.10	47.9	5.3	228	14.3	160	14.1	250	8	390
417.5	359	4.9	227	7.0	202	14.7	207	2.19	12.9	4.4	244	(1.4)	283	17.3	196	9	391
817.4	268	11.6	43	26.5	3	57.4§	2	5.61**	132.8	—		182.9	3	—		5	392
272.0	397	3.4	320	6.5	218	15.3	192	1.37	17.8	13.4	97	(5.7)	304	23.4	83	1	393
16.3	446	—		—		—		(1.35)	—	—		(57.1)	439	(24.8)	400	11	394
298.2	386	4.1	273	7.9	161	18.7	126	1.70	20.6	15.3	73	(18.5)	370	24.0	76	24	395
956.1	251	8.3	97	3.9	340	15.8	184	2.35	6.3	14.9	80	(17.1)	361	21.6	120	7	396
2,508.4	113	21.4	7	16.3	16	24.1	56	4.65	16.5	47.7	5	(12.5)	345	42.7	5	6	397
127.0	426	3.1	340	5.5	269	33.7	23	3.27**	251.6	—		23.8	117	—		27	398
341.2	380	5.9	179	8.0	151	19.3	111	3.70	(2.6)	3.7	257	(30.4)	415	7.2	344	17	399
N.A.		—		—		—		N.A.	—	—		—		—		8	400

THE FORTUNE 500
LARGEST U.S. INDUSTRIAL CORPORATIONS

RANK		COMPANY	SALES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
1987	1986		$ Millions	% change from 1986	$ Millions	Rank	% change from 1986	$ Millions	Rank	$ Millions	Rank
401	419	**CHESAPEAKE** Richmond	675.7	12.7	30.2	341	120.4	590.7	376	238.6	365
402	433	**COOPER TIRE & RUBBER** Findlay, Ohio	665.8	15.3	30.7	339	33.3	413.3	437	221.6	376
403	388	**JOY TECHNOLOGIES** Pittsburgh[9]	664.5[¶,10]	(4.1)	N.A.		—	869.9	303	19.0	475
404	407	**ROHR INDUSTRIES** Chula Vista, Calif.[15]	663.4	6.0	26.9	349	(43.2)	706.6	340	345.8	308
405	445	**STANDARD REGISTER** Dayton	659.7	18.4	40.5	313	24.1	425.2	432	271.5	351
406	427	**LEGGETT & PLATT** Carthage, Mo.	649.2	10.9	37.5	317	8.4	384.3	446	209.5	386
407	426	**PITTWAY** Northbrook, Ill.	649.1	10.8	32.4	333	17.2	559.4	382	311.3	330
408	448	**C.R. BARD** Murray Hill, N.J.	641.3	17.0	62.3	251	21.6	487.6	410	301.0	334
409	417	**INTERGRAPH** Huntsville, Ala.	641.1	5.8	69.9	235	(0.7)	704.0	342	567.2	237
410	431	**JOSTENS** Minneapolis[3]	638.1	9.7	44.7	300	10.9	360.7	458	112.9	447
411	422	**NERCO** Portland, Ore.	632.3	6.3	60.1	257	4.5	977.1	280	351.1	306
412	428	**BAIRNCO** New York	630.2	7.7	28.2	346	25.4	441.8	427	213.1	382
413	432	**PULLMAN** Princeton, N.J.[5,48]	628.6	8.3	17.6	399	9.0	708.4	339	178.1	411
414	192	**VALERO ENERGY** San Antonio	628.5	(66.6)	12.9‡	405	—	964.7	284	492.5	255
415	441	**COOPER COS.** Palo Alto, Calif.[11,49]	627.5	12.0	52.0‡	283	477.8	1,357.8	231	257.4	359
416	440	**AMETEK** New York	620.1	9.1	41.2	309	12.5	538.4	392	252.9	361
417	420	**WESTMORELAND COAL** Philadelphia	616.7	3.0	(43.1)	458	—	369.9	453	140.2	431
418	434	**BUTLER MANUFACTURING** Kansas City, Mo.	615.0	6.6	3.7**	426	2.7	270.1	480	115.5	446
419	•	**MAGNETEK** Los Angeles[3]	608.9	123.0	4.9	421	(8.0)	483.5	411	9.8	476
420	405	**WARNACO GROUP** Los Angeles	608.9	3.2	(10.8)	439	—	629.3	369	(34.8)	482
421	446	**VISTA CHEMICAL** Houston[5]	608.9	10.7	(3.7)‡	436	—	500.1	407	160.5	419
422	442	**HANDY & HARMAN** New York	607.5	8.7	7.7	416	—	462.0	419	116.3	445
423	•	**HENLEY MANUFACTURING** Hampton, N.H.[45]	605.3	(7.8)	19.4	388	—	686.9	348	392.6	289
424	416	**CALMAT** Los Angeles	602.1	(0.6)	78.1	217	77.0	662.8	356	437.6	271
425	415	**THORN APPLE VALLEY** Southfield, Mich.[7]	601.9	(1.5)	1.0**	432	—	102.1	495	29.2	474
426	•	**AVERY** New York[5]	600.3	5,705.9	(31.7)	454	—	1,348.7	232	70.3	462
427	453	**MEREDITH** Des Moines[3]	598.7	12.3	33.9	329	(28.1)	565.7	379	330.0	317
428	468	**COLEMAN** Wichita	598.5	19.3	19.2	390	10.8	404.2	442	184.3	407
429	•	**OHIO MATTRESS** Cleveland[21]	598.1	101.1	23.4	370	101.0	525.7	399	237.7	366
430	•	**MARION LABORATORIES** Kansas City, Mo.[3]	597.4	49.6	96.9	191	76.0	453.7	421	303.3	333
431	457	**H.B. FULLER** St. Paul[21]	597.1	13.0	25.8	358	36.4	329.6	466	161.4	418
432	451	**PHILIPS INDUSTRIES** Dayton[41]	593.0	10.2	33.0	332	10.9	315.9	469	178.9	410
433	398	**TEXAS INDUSTRIES** Dallas[7]	589.1	(9.1)	1.3	431	(94.3)	678.8	351	189.1	402
434	343	**MITCHELL ENERGY** The Woodlands, Tex.[29]	587.9	(30.3)	8.4	415	(82.5)	2,060.7	169	569.1	236
435	459	**CALIFORNIA & HAWAIIAN SUGAR** Concord, Calif.	587.5	11.6	N.A.		—	182.0	492	47.6	470
436	437	**LESLIE FAY** New York	582.0	1.5	19.7**	386	5.9	305.4	474	111.9	449
437	443	**HUBBELL** Orange, Conn.	581.1	4.0	62.5	250	14.8	468.9	417	354.4	302
438	•	**DIXIE YARNS** Chattanooga	580.5	93.0	26.3	353	96.5	355.8	460	205.6	390
439	456	**HERMAN MILLER** Zeeland, Mich.[7]	573.5	7.9	33.3	331	(12.0)	346.9	461	212.5	384
440	493	**XIDEX** Palo Alto, Calif.[3]	572.8	32.5	(44.5)	460	—	675.7	353	387.2	292
441	438	**KELLWOOD** St. Louis[13]	571.9	(0.2)	25.3	360	31.8	334.3	463	157.8	422
442	•	**SHAKLEE** San Francisco	571.8	43.7	23.5	369	(60.3)	413.7	436	252.2	362
443	475	**LONGVIEW FIBRE** Longview, Wash.[11]	569.4	16.8	65.2	244	94.6	541.1	391	280.9	347
444	439	**LIQUID AIR** Walnut Creek, Calif.[30]	566.0	(0.8)	36.6	319	5.5	751.6	330	294.9	338
445	463	**UST** Greenwich, Conn.[51]	564.5	10.3	130.9	167	25.9	549.0	386	401.1	282
446	471	**COMPUTERVISION** Bedford, Mass.	564.0	14.0	19.5	387	—	466.8	418	200.1	396
447	•	**REYNOLDS & REYNOLDS** Dayton[5]	562.7	39.3	21.2	378	(11.0)	381.1	449	193.1	400
448	378	**NATIONAL COOP. REFINERY** McPherson, Kans.[3]	561.4	(21.6)	N.A.		—	335.5	462	148.4	429
449	•	**HARVARD INDUSTRIES** St. Louis[5]	558.8	77.8	18.7	394	55.3	332.7	464	66.2	466
450	345	**NEWMONT MINING** New York	558.5	(33.0)	340.9	65	359.4	1,964.3	177	(458.2)	488

The definitions, explanations, and footnotes underlying the figures in this directory are on page D33.

401-450

MARKET VALUE		PROFITS AS PERCENT OF						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				INDUSTRY TABLE NUMBER	RANK
		SALES		ASSETS		STOCKHOLDERS' EQUITY				1977-87 annual growth rate		1987		1977-87 annual average			
$ Millions	Rank	%	Rank	%	Rank	%	Rank	1987/$	% change from 1986	%	Rank	%	Rank	%	Rank		
408.7	362	4.5	252	5.1	293	12.7	258	1.47	116.2	9.1	168	0.3	269	18.0	180	9	401
347.2	378	4.6	242	7.4	185	13.8	225	3.02	32.5	11.9	126	17.8	145	29.0	26	21	402
N.A.		—		—		—		N.A.	—	—		—		—		11	403
424.3	357	4.1	277	3.8	346	7.8	362	1.53	(43.3)	30.7	8	(44.4)	429	16.9	207	1	404
715.5	290	6.1	169	9.5	104	14.9	198	1.36	12.4	28.1	11	12.9	167	32.3	18	20	405
465.0	341	5.8	185	9.8	94	17.9	144	2.28	10.1	15.4	70	(13.5)	350	22.7	97	10	406
394.7	365	5.0	219	5.8	251	10.4	323	7.05	17.1	1.5	287	(22.0)	379	12.7	270	7	407
1,105.3	222	9.7	64	12.8	38	20.7	87	2.14	24.4	19.3	33	(3.8)	295	24.3	70	22	408
1,557.5	174	10.9	49	9.9	89	12.3	270	1.23	(2.4)	—		45.6	49	—		6	409
687.9	292	7.0	138	12.4	45	39.6	11	1.22	27.7	13.8	90	1.8	262	21.9	115	12	410
500.3	331	9.5	71	6.2	237	17.1	163	1.80	4.0	—		20.3	131	—		16	411
333.5	381	4.5	251	6.4	224	13.3	239	2.68	21.8	14.8	82	(12.4)	343	26.1	55	7	412
272.6	396	2.8	354	2.5	378	9.9	334	0.42	5.0	—		(37.4)	424	—		17	413
155.3	420	2.1	377	1.3	408	2.6§	407	0.06‡	—	—		(27.3)	403	—		18	414
302.9	384	8.3	98	3.8	344	20.2§	94	2.28‡	456.1	—		(50.3)	434	—		22	415
724.8	287	6.6	151	7.6	173	16.3	173	0.94	13.3	8.5	176	11.7	177	17.9	185	22	416
152.6	421	—		—		—		(5.22)	—	—		(6.9)	311	(6.2)	392	16	417
142.2	425	0.6	419	1.4	406	3.2	402	0.77**	8.5	(13.2)	348	14.7	157	8.6	332	14	418
N.A.		0.8	414	1.0	415	49.5§	5	4.61	—	—		—		—		7	419
N.A.		—		—		—		(8.13)	—	—		—		—		2	420
810.7	269	—		—		—		(0.25)‡	—	—		142.5	7	—		5	421
242.0	406	1.3	404	1.7	399	6.6	373	0.55	—	(3.9)	327	(17.8)	366	13.9	254	15	422
252.2	404	3.2	334	2.8	368	4.9	388	1.86	—	—		—		—		11	423
945.7	252	13.0	31	11.8	57	17.8	145	2.53	75.7	15.1	78	32.3	84	17.3	197	4	424
N.A.		0.2	432	1.0	413	3.6	401	0.29**	—	(10.1)	337	—				8	425
N.A.		—		—		—		(2.63)	—	—		—		—		5	426
535.7	320	5.7	191	6.0	239	10.3	326	1.77	(28.9)	10.1	156	(6.9)	309	23.1	88	20	427
265.3	400	3.2	335	4.7	311	10.4	322	2.72	9.7	2.8	271	7.7	209	13.4	262	11	428
349.5	377	3.9	283	4.4	325	9.8	335	1.15	59.7	18.8	36	(18.3)	369	27.0	47	10	429
3,388.1	90	16.2	16	21.4	7	32.0	30	0.61	64.9	23.0	19	30.5	91	42.2	6	19	430
345.3	379	4.3	266	7.8	165	16.0	181	2.69	34.5	14.6	85	46.0	48	25.9	59	5	431
571.4	315	5.6	195	10.5	70	18.5	133	1.17	8.8	14.5	86	25.7	111	32.6	17	14	432
282.2	393	0.2	431	0.2	431	0.7	423	0.00	—	—		39.0	68	18.3	174	15	433
491.1	334	1.4	400	0.4	425	1.5	418	0.18	(82.2)	(11.1)	341	(7.2)	312	7.5	343	16	434
N.A.		—		—		—		N.A.	—	—		—		—		8	435
119.3	429	3.4	322	6.5	220	17.6	150	1.03**	(6.4)	68.1	2	(53.2)	435	—		2	436
867.3	262	10.8	53	13.3	33	17.6§	151	2.39	12.7	12.1	121	8.9	200	22.1	109	7	437
229.8	410	4.5	248	7.4	186	12.8	255	2.42	8.0	13.6	93	(6.3)	307	—		24	438
636.7	302	5.8	184	9.6	102	15.7	187	1.35	(11.8)	24.1	17	(1.9)	287	27.4	39	10	439
278.0	395	—		—		—		(1.03)	—	—		(46.9)	432	—		6	440
291.1	389	4.4	262	7.6	178	16.0	179	2.20	8.9	5.7	222	(9.3)	321	15.2	235	2	441
293.1	388	4.1	274	5.7	258	9.3	343	1.77	(60.5)	(2.5)	316	(6.9)	310	5.1	360	8	442
533.6	321	11.4	44	12.0	49	23.2	65	5.87	94.4	9.9	158	29.9	94	14.9	238	9	443
446.8	349	6.5	160	4.9	304	12.4§	265	2.57	6.2	(0.7)	303	(16.9)	360	5.9	353	5	444
1,690.0	168	23.2	6	23.8	4	32.6	28	2.25	21.0	17.1	48	27.4	105	24.4	67	25	445
N.A.		3.5	315	4.2	335	9.7	338	0.67	—	16.5	57	3.7	245	25.9	58	6	446
215.8	413	3.8	293	5.6	266	11.0	309	1.91	(21.7)	6.1	212	(48.9)	434	8.7	331	20	447
N.A.		—		—		—		N.A.	—	—		—		—		18	448
145.6	423	3.3	330	5.6	264	28.2	38	1.06	55.9	—		36.3	77	—		17	449
2,339.1	126	61.0	1	17.4	12	—		5.30	334.4	56.5	4	86.8	15	24.4	68	15	450

THE FORTUNE 500
LARGEST U.S. INDUSTRIAL CORPORATIONS

RANK		COMPANY	SALES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY	
1987	1986		$ Millions	% change from 1986	$ Millions	Rank	% change from 1986	$ Millions	Rank	$ Millions	Rank
451	425	**H.H. ROBERTSON** Pittsburgh	[illegible]	(5.2)	2.5	429	—	324.0	467	107.5	450
452	435	**HARTE-HANKS COMMUNICATIONS** San Antonio	[illegible]	(3.6)	(32.5)‡	455	—	787.4	322	(20.3)	480
453	466	**HON INDUSTRIES** Muscatine, Iowa	[illegible]	10.3	24.8	364	(15.3)	248.1	482	126.4	441
454	•	**APOLLO COMPUTER** Chelmsford, Mass.	[illegible]	41.4	21.7	375	132.5	447.0	424	225.0	374
455	452	**OXFORD INDUSTRIES** Atlanta[7]	553.4	3.7	10.6	412	3.0	230.5	487	130.5	438
456	477	**SCI SYSTEMS** Huntsville, Ala.[3]	552.9	17.6	16.0	401	15.8	435.8	429	133.0	435
457	465	**COMMERCE CLEARING HOUSE** Riverwoods, Ill.	551.5	9.1	52.8	279	11.0	522.2	401	188.2	404
458	473	**STANADYNE** Windsor, Conn.	543.6	10.3	41.9	307	98.1	419.3	433	247.0	363
459	332	**M/A-COM** Burlington, Mass.[5]	542.9¶	(38.7)	(35.4)	456	—	581.7	377	268.7	353
460	479	**CARLISLE** Cincinnati	542.8	16.5	18.8	393	(4.4)	308.6	470	185.8	405
461	•	**GUILFORD MILLS** Greensboro, N.C.[3]	539.1	29.5	23.9	367	25.7	381.4	448	190.7	401
462	476	**TAMBRANDS** Lake Success, N.Y.	538.9	10.7	76.6	220	10.8	408.2	440	313.9	328
463	•	**SUN MICROSYSTEMS** Mountain View, Calif.[3]	537.5	155.8	36.3	320	203.8	533.0	396	240.7	364
464	•	**JEPSON** Elmhurst, Ill.	530.1	18.6	18.3	396	14.2	306.1	473	66.6	465
465	485	**MILLIPORE** Bedford, Mass.	528.7	19.3	47.7	294	22.1	479.8	414	330.9	315
466	454	**RICELAND FOODS** Stuttgart, Ark.[24]	524.6	(1.4)	25.7	359	8.0	207.6	490	138.7	432
467	•	**FABERGE** New York[29]	524.4	14.3	25.9	357	55.4	365.0	455	112.0	448
468	470	**SUN-DIAMOND GROWERS** Pleasanton, Calif.[15]	523.2	5.4	N.A.		—	234.8	486	79.3	458
469	•	**TORO** Bloomington, Minn.[15]	521.1	28.1	17.0	400	9.9	241.9	485	72.0	460
470	399	**BIG THREE INDUSTRIES** Houston[50]	518.1	(19.8)	51.0	287	—	893.0	297	491.3	256
471	•	**HOMESTAKE MINING** San Francisco	516.2	65.5	146.4	153	548.5	915.4	293	702.9	198
472	487	**ALBERTO CULVER** Melrose Park, Ill.[5]	514.5	17.2	18.2	398	110.4	271.8	479	132.9	436
473	462	**PHILLIPS-VAN HEUSEN** New York[29]	514.4	(6.5)	20.1	382	26.1	245.3	484	164.5	415
474	444	**GEORGIA KRAFT** Rome, Ga.	511.0	(8.3)	87.1	204	215.8	735.2	334	498.0	254
475	464	**AMERICAN MAIZE-PRODUCTS** Stamford, Conn.	506.8	(0.5)	12.7	408	30.1	401.7	443	153.5	424
476	469	**COLECO INDUSTRIES** West Hartford, Conn..	504.5	0.8	(105.4)	470	—	535.6	395	(84.3)	483
477	449	**FOXBORO** Foxboro, Mass.	504.4	(7.3)	(96.9)	468	—	428.1	430	188.4	403
478	•	**LUKENS** Coatesville, Pa.	502.5	24.0	21.7	376	146.9	322.9	468	151.2	427
479	•	**MEDTRONIC** Minneapolis[13]	502.0	21.2	73.8	226	38.2	559.7	381	387.0	293
480	•	**GROW GROUP** New York[3]	501.7	37.0	1.3	430	(83.1)	331.4	465	64.5	467
481	•	**GREAT LAKES CHEMICAL** West Lafayette, Ind.	501.0	66.8	55.5	273	107.1	577.1	378	392.6	290
482	498	**ALLIED PRODUCTS** Chicago	496.9	18.1	(2.5)	434	—	443.8	426	151.9	426
483	478	**SCIENTIFIC-ATLANTA** Atlanta[3]	495.3	5.6	24.3	365	—	287.5	477	201.6	393
484	•	**ATARI** Sunnyvale, Calif.	493.2	91.1	57.4**	264	29.0	523.3	400	167.7	414
485	491	**TRINITY INDUSTRIES** Dallas[41]	491.1	13.1	4.0‡	424	359.6	505.4	405	162.5	417
486	•	**AFFILIATED PUBLICATIONS** Boston	490.1	17.9	201.2	117	204.4	532.3	397	324.1	323
487	488	**NOXELL** Hunt Valley, Md.	489.5	11.5	43.6	303	17.5	294.4	475	212.7	383
488	•	**AFG INDUSTRIES** Irvine, Calif.	488.4	20.3	58.4	260	9.4	508.7	403	227.3	373
489	413	**CAMERON IRON WORKS** Houston[3]	485.0	(21.3)	(110.2)	471	—	754.4	329	335.7	314
490	461	**CARPENTER TECHNOLOGY** Reading, Pa.[3]	480.5	(7.1)	4.5	422	(41.6)	601.7	374	300.2	336
491	489	**RUSSELL** Alexander City, Ala.	479.9	9.7	46.3	296	7.1	445.3	425	279.6	349
492	•	**KIMBALL INTERNATIONAL** Jasper, Ind.[3]	477.1	21.1	29.9	342	14.6	289.1	476	201.2	394
493	•	**ENVIRODYNE INDUSTRIES** Chicago	475.7	50.2	38.7	316	123.1	425.4	431	128.8	439
494	497	**BASSETT FURNITURE INDUSTRIES** Bassett, Va.[21]	475.0	12.7	22.3	373	14.4	286.9	478	259.0	358
495	•	**SPRAGUE TECHNOLOGIES** Greenwich, Conn.	470.0	4.7	3.6	427	—	473.5	416	342.0	312
496	•	**CLEVELAND-CLIFFS** Cleveland	467.0¶	57.6	12.7	407	—	656.7	360	395.4	287
497	492	**STANDARD PRODUCTS** Cleveland[3]	464.9	7.3	31.5	337	16.0	226.0	488	127.4	440
498	•	**A. SCHULMAN** Akron[24]	463.8	19.6	19.8	385	30.5	214.7	489	125.8	442
499	•	**WESTERN DIGITAL** Irvine, Calif.[3]	462.5	54.0	48.2**	292	108.1	307.8	472	201.9	392
500	•	**M.A. HANNA** Cleveland	459.4	252.4	36.3	321	—	1,000.7	277	398.7	284
		TOTALS	1,879,506.4		90,556.3			1,705,657.1		685,119.2	

The definitions, explanations, and footnotes underlying the figures in this directory are on page D33.

451-500

MARKET VALUE		PROFITS AS PERCENT OF						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				INDUSTRY TABLE NUMBER	RANK
		SALES		ASSETS		STOCKHOLDERS' EQUITY			% change from 1986	1977-87 annual growth rate		1987		1977-87 annual average			
$ Millions	Rank	%	Rank	%	Rank	%	Rank	1987/$		%	Rank	%	Rank	%	Rank		
92.4	436	0.5	423	0.8	418	2.4	410	0.38	—	(13.4)	349	23.2	118	4.6	364	15	451
N.A.		—		—		—		N.A.	—	—		—		—		20	452
356.0	375	4.5	256	10.0	84	19.6	105	1.24	(13.0)	9.1	170	9.0	199	19.7	156	10	453
528.6	324	3.9	281	4.9	305	9.6	339	0.60	122.2	—		(22.5)	383	—		6	454
118.4	430	1.9	384	4.6	317	8.1	359	0.95	2.2	(1.1)	306	(18.7)	371	20.3	146	2	455
300.2	385	2.9	348	3.7	348	12.0	281	0.77	15.5	27.2	12	12.8	169	22.7	96	6	456
1,154.4	213	9.6	68	10.1	77	28.1	39	2.93	11.0	18.3	42	2.9	251	27.0	48	20	457
791.0	278	7.7	113	10.0	83	17.0	166	2.90	97.7	10.7	144	10.7	183	14.7	241	14	458
285.3	392	—		—		—		(1.06)	—	—		(24.4)	387	12.7	271	7	459
254.6	403	3.5	313	6.1	238	10.1	330	2.25	4.2	8.4	181	0.4	268	21.9	116	21	460
289.7	391	4.4	260	6.3	230	12.5	262	2.26	17.1	21.4	23	16.5	149	34.1	10	24	461
1,251.9	203	14.2	25	18.8	8	24.4	53	3.45	10.6	8.1	184	1.2	266	19.3	164	9	462
1,259.7	201	6.8	146	6.8	207	15.1	196	1.11	141.3	—		39.6	65	—		6	463
165.8	419	3.4	316	6.0	243	27.5	40	1.01	—	—		—		—		11	464
1,089.6	224	9.0	78	9.9	88	14.4	212	1.70	21.4	11.5	129	20.1	132	13.0	267	22	465
N.A.		4.9	225	12.4	46	18.5	130	N.A.	—	—		—		—		8	466
N.A.		4.9	221	7.1	198	23.1§	67	N.A.	—	—		—		—		23	467
N.A.		—		—		—		N.A.	—	—		—		—		8	468
190.0	415	3.3	332	7.0	201	23.7§	63	1.52	13.4	7.7	192	6.3	226	11.3	293	11	469
N.A.		9.8	62	5.7	256	10.4	324	N.A.	—	—		—		—		5	470
1,509.7	179	28.4	5	16.0	17	20.8	85	1.51	556.5	2.9	269	39.8	63	13.4	261	16	471
431.8	352	3.5	304	6.7	210	13.7	232	1.28	88.2	21.9	22	7.6	212	26.0	56	23	472
117.5	431	3.9	282	8.2	149	12.2	274	3.18	25.2	15.2	75	(37.5)	425	22.0	111	2	473
N.A.		17.0	11	11.8	55	17.5	154	N.A.	—	—		—		—		9	474
101.4	433	2.5	366	3.2	358	8.2	358	2.10	15.4	3.6	260	(32.8)	421	9.8	319	8	475
44.4	443	—		—		—		(6.08)	—	—		(53.7)	438	3.5	373	26	476
360.2	374	—		—		—		(7.87)	—	—		(2.6)	293	3.3	374	22	477
229.4	411	4.3	267	6.7	208	14.3	214	3.87	125.0	5.2	233	235.5	1	17.9	184	15	478
1,278.0	198	14.7	21	13.2	35	19.1	119	5.25	43.8	18.3	41	22.8	119	27.7	36	22	479
88.5	439	0.3	427	0.4	427	2.0	413	0.04	(93.9)	(22.9)	356	(39.7)	426	9.8	320	5	480
1,045.9	232	11.1	47	9.6	99	14.1	220	3.24	81.0	14.9	81	51.7	34	22.0	114	5	481
92.1	437	—		—		—		(0.77)	—	—		(60.4)	440	4.4	370	11	482
369.4	370	4.9	226	8.4	134	12.0	279	1.04	—	14.6	84	2.0	261	11.9	285	7	483
486.2	337	11.6	42	11.0	61	34.3	19	0.99**	110.6	—		44.6	53	—		6	484
503.1	329	0.8	413	0.8	417	2.5	409	0.25‡	400.0	(12.4)	346	59.8	27	19.9	153	14	485
2,095.1	140	41.0	2	37.8	2	62.1	1	5.73	209.7	39.5	6	63.6	22	44.8	4	20	486
940.3	254	8.9	83	14.8	24	20.5	91	1.08	16.8	16.6	56	2.6	255	29.2	25	23	487
763.3	282	11.9	37	11.5	58	25.7	46	2.32	3.9	81.7	1	41.0	61	45.7	3	4	488
530.0	323	—		—		—		(3.62)	—	—		12.6	172	1.2	380	11	489
413.0	360	0.9	411	0.7	420	1.5	417	0.50	(41.9)	(17.4)	352	47.3	44	12.4	275	15	490
576.0	313	9.7	67	10.4	72	16.6	169	1.17	8.3	15.5	68	(26.9)	401	25.7	60	24	491
429.3	355	6.3	167	10.3	74	14.8	201	2.81	15.2	11.1	139	27.1	106	22.4	102	10	492
372.0	369	8.1	105	9.1	118	30.0	36	2.12	99.1	—		49.2	42	27.1	43	21	493
289.8	390	4.7	235	7.8	170	8.6	353	2.65	14.2	4.8	237	(10.3)	331	13.6	260	10	494
244.8	405	0.8	415	0.8	419	1.1	420	0.18	—	—				—		7	495
326.6	382	2.7	358	1.9	393	3.2	403	0.57	—	(12.4)	345	57.0	29	(2.0)	387	16	496
296.0	387	6.8	145	13.9	29	24.8	51	3.46	18.5	16.9	52	(23.7)	385	28.4	29	21	497
372.8	368	4.3	269	9.2	112	15.7	185	2.21	29.0	16.9	51	36.0	79	36.7	7	5	498
411.4	361	10.4	55	15.7	19	23.9	61	1.78**	64.8	—		(12.2)	342	—		7	499
382.6	367	7.9	110	3.6	350	9.1	346	2.47	—	(7.0)	330	3.3	249	(2.7)	388	5	500
1,272,278.5																	

THE FORTUNE 500

DEFINITIONS AND EXPLANATIONS

SALES

All companies on the list must have derived more than 50% of their sales from manufacturing and/or mining. Sales include rental and other revenues but exclude dividends, interest, and other nonoperating revenues. Sales of subsidiaries are included if they are consolidated. Sales from discontinued operations are included if these figures are published. If the sales are at least 10% higher for this reason, there is a symbol (¶) next to the sales figure. All figures are for the year ended December 31, 1987, unless otherwise noted. Sales figures do not include excise taxes collected by manufacturers, and so the figures for some corporations—most of which sell gasoline, liquor, or tobacco—may be lower than those published by the corporations themselves. If they are at least 5% lower for this reason, there is an asterisk (*) next to the sales figures.

NET INCOME

Net income is shown after taxes and after extraordinary credits or charges if any are shown on the income statement. A double asterisk (**) signifies an extraordinary credit reflecting at least 10% of the net income shown, a double dagger (‡) an extraordinary charge of at least 10%. Figures in parentheses indicate a loss. Cooperatives provide only "net margin" figures, which are not comparable with the net income figures in these listings, and therefore N.A. is shown in that column.

ASSETS

Assets shown are those at the company's fiscal year-end.

STOCKHOLDERS' EQUITY

Stockholders' equity is the sum of capital stock, surplus, and retained earnings at the company's year-end. Redeemable preferred stock is excluded if its redemption is either mandatory or outside the control of the company, except in the case of cooperatives. For purposes of calculating "net income as percent of stockholders' equity," any dividends paid on redeemable preferred stock, if that stock's redemption is either mandatory or outside the control of the company, have been subtracted from the net income figure.

MARKET VALUE

The figure shown was arrived at by multiplying the number of common shares outstanding (at the latest date available) by the price per common share as of March 15, 1988.

EARNINGS PER SHARE

For all companies the figures shown are the primary earnings per share that appear on the company's income statement. Per share earnings for 1986 and 1977 are adjusted for stock splits and stock dividends. They are not restated for mergers, acquisitions, or accounting changes made after 1977. A double asterisk (**) signifies an extraordinary credit reflecting at least 10% of the net income shown, a double dagger (‡) an extraordinary charge of at least 10%. Results are listed as not available (N.A.) if the companies are cooperatives, joint ventures, or wholly owned subsidiaries of other companies, or if the figures were not published in 1977. The growth rate is the average annual growth, compounded. No growth rate is given if the company had a loss in either 1977 or 1987.

TOTAL RETURN TO INVESTORS

Total return to investors includes both price appreciation and dividend yield to an investor in the company's stock. The figures shown assume sales at the end of 1987 of stock owned at the end of 1977 and 1986. It has been assumed that any proceeds from cash dividends, the sale of rights and warrant offerings, and stock received in spinoffs were reinvested when they were paid. Returns are adjusted for stock splits, stock dividends, recapitalizations, and corporate reorganizations as they occur; however, no effort has been made to reflect the cost of brokerage commissions or of taxes. Results are listed as not available (N.A.) if shares are not publicly traded or are traded on only a limited basis. If companies have more than one class of shares outstanding, only the more widely held and actively traded has been considered. Total return percentages shown are the returns received by the hypothetical investor described above. The ten-year figures are annual averages, compounded.

INDUSTRY TABLES

Industry table numbers used in the directory indicate the groups in which companies are placed in "The 500 by Industry, Ranked by 11 Measures," beginning on page D37. Companies are included in the industry that represents the greatest volume of their industrial sales. Industry groups are based on categories established by the U.S. Office of Management and Budget and issued by the Federal Statistical Policy and Standards Office. The median figures in the tables refer only to results of companies in the 500; no attempt has been made to calculate medians in groups with fewer than four companies.

Most of the figures in this FORTUNE 500 Directory were prepared by Sandra L. Kirsch and Mark Alpert, who are responsible for the columns reporting on companies' sales, assets, net income, stockholders' equity, and the industry table numbers. Figures on market value, earnings per share, and total return to investors were prepared by Claudine Knight and Kathleen Smyth.

FOOTNOTES TO THE 500

¶ Includes sales from discontinued operations of at least 10%; see the explanation of "sales" above.
• Indicates that a corporation was not among the 500 in 1986.
N.A. Not available.
* Does not include excise taxes; see the explanation of "sales" above.
** Reflects an extraordinary credit of at least 10%; see the explanations of "net income" and "earnings per share" above.
‡ Reflects an extraordinary charge of at least 10%; see the explanations of "net income" and "earnings per share" above.
§ Dividends paid by company on its mandatory redeemable preferred stock were subtracted from net income in calculating this figure.

1

[1] Figures include American Motors (1986 rank: 113) acquired August 5, 1987.
[2] Owned by Royal Dutch/Shell Group (1986 International 500 rank: 1).
[3] Figures are for fiscal year ended June 30, 1987.
[4] Name changed from Standard Oil June 29, 1987. Owned by British Petroleum (1986 International 500 rank: 2).
[5] Figures are for fiscal year ended September 30, 1987.
[6] Financial subsidiaries would add 25% or more to sales if consolidated.
[7] Figures are for fiscal year ended May 31, 1987.
[8] Figures include Monfort of Colorado (1986 rank: 216) acquired May 13, 1987.
[9] Figures are for fiscal year ended February 28, 1987.

10

[10] FORTUNE estimate.
[11] Figures are for fiscal year ended October 31, 1987.
[12] Owned by Philips' Gloeilampenfabrieken (1986 International 500 rank: 11).
[13] Figures are for fiscal year ended April 30, 1987.
[14] Company was formed by the merger of American Hoechst (1986 rank: 210) and Celanese (1986 rank: 134) February 27, 1987. Owned by Hoechst (1986 international 500 rank: 19).
[15] Figures are for fiscal year ended July 31, 1987.
[16] Owned by BASF (1986 International 500 rank: 17).
[17] Owned by Bayer (1986 International 500 rank: 16).
[18] Owned by Hanson Trust (1986 International 500 rank: 94).
[19] Figures include Alumax (1986 rank: 180) acquired November 24, 1986.

20

[20] Figures include Southwest Forest Industries (1986 rank: 394) acquired April 16, 1987.
[21] Figures are for fiscal year ended November 30, 1987.
[22] Owned by Unilever (1986 International 500 rank: 7).
[23] Name changed from National Distillers & Chemical January 1, 1988.
[24] Figures are for fiscal year ended August 31, 1987.
[25] Owned by Petrofina (1986 International 500 rank: 55).
[26] Acquired by Eastman Kodak (rank: 25) February 23, 1988.
[27] Name changed from Kaiser Aluminum & Chemical May 1, 1987.
[28] Name changed from Universal Leaf Tobacco January 1, 1988.
[29] Figures are for fiscal year ended January 31, 1987.

30

[30] Owned by Seagram (1986 International 500 rank: 273).
[31] Company was formed by the merger of Baker International (1986 rank: 220) and Hughes Tool (1986 rank: 356) April 3, 1987.
[32] Name changed from Federal Co. Sept. 9, 1987.
[33] Name changed from Sun Chemical May 7, 1987. Figures include Chromalloy American (1986 rank: 352) acquired December 12, 1986.
[34] Owned by Esselte (1986 International 500 rank: 350)
[35] Name changed from Diamond Shamrock April 28, 1987.
[36] Name changed from Armstrong Rubber after reorganization April 10, 1987.
[37] Owned by Montedison (1986 International 500 rank: 52).
[38] Owned by Saint-Gobain (1986 International 500 rank: 38).
[39] Owned by Jefferson Smurfit Group (1986 International 500 rank: 499).

40

[40] Name changed from Cyclops Corp. after reorganization June 30, 1987.
[41] Figures are for fiscal year ended March 31, 1987.
[42] Owned by Household International (1986 Service 500 rank: F19).
[43] Name changed from Farley/Northwest Industries February 26, 1987.
[44] Name changed from Economics Laboratory December 11, 1986.
[45] Owned by Henley Group (1986 Service 500 rank: S17).
[46] Figures include Diamond-Bathurst (1986 rank: 474) acquired August 13, 1987.
[47] Figures include Anchor Hocking (1986 rank: 368) acquired July 2, 1987.
[48] Name changed from Pullman-Peabody February 12, 1987. Figures include Clevite Industries (1986 rank: 484) acquired July 1, 1987.
[49] Name changed from CooperVision June 22, 1987.

50

[50] Owned by L'Air Liquide (1986 International 500 rank: 179).
[51] Name changed from United States Tobacco May 5, 1987.

HIGHLIGHTS

ARRIVALS AND DEPARTURES

NEWCOMERS TO THE 500

	SALES RANK
AFFILIATED PUBLICATIONS	486
AFG INDUSTRIES	488
ALLEGHENY LUDLUM	350
APOLLO COMPUTER	454
ARISTECH CHEMICAL	344
ATARI	484
AVERY	426
COCA-COLA ENTERPRISES	126
DIXIE YARNS	438
ENVIRODYNE INDUSTRIES	493
FABERGE	467
FISHER SCIENTIFIC GROUP	345
GREAT LAKES CHEMICAL	481
GROW GROUP	480
GUILFORD MILLS	461
HARLEY-DAVIDSON	398
HARVARD INDUSTRIES	449
HENLEY MANUFACTURING	423
HOMESTAKE MINING	471
JEPSON	464
KIMBALL INTERNATIONAL	492
KNOLL INTERNATIONAL HOLDINGS	191
MAGNETEK	419
MARION LABORATORIES	430
NEWELL	386
OHIO MATTRESS	429
REYNOLDS & REYNOLDS	447
SCHULMAN (A.)	498
SUN MICROSYSTEMS	463
TORO	469
WESTERN DIGITAL	499

RETURNED TO THE 500*

AMSTED INDUSTRIES (1985: 384)	359
BEATRICE (1985: 26)	42
CLEVELAND-CLIFFS (1960: 440)	496
HANNA (M.A.) (1976: 461)	500
LUKENS (1984: 500)	478
MEDTRONIC (1984: 496)	479
RELIANCE ELECTRIC (1979: 232)	245
SHAKLEE (1984: 476)	442
SPRAGUE TECHNOLOGIES (1966: 465)	495
UNIVERSAL (1981: 306)	184

DISPLACED FROM THE 500

	1986 SALES RANK
ALLEN GROUP	496
ALUMAX [1]	180
AMALGAMATED SUGAR [2]	472
AMERICAN MOTORS [3]	113
ANCHOR HOCKING [4]	368
ANDERSON CLAYTON [5]	292
ATCOR [6]	483
BARNES GROUP	486
CELANESE [7]	134
CHROMALLOY AMERICAN [8]	352
CLEVITE INDUSTRIES [9]	484
COLLINS & AIKMAN [10]	278
CONSTAR INTERNATIONAL	458
DAYCO [11]	327
DIAMOND-BATHURST [12]	474
FIRST CITY INDUSTRIES	401
FOSTER (L.B.)	455
GENESCO [13]	450
HEILEMAN (G.) BREWING [14]	267
HUGHES TOOL [15]	356
KATY INDUSTRIES	499
KENNER PARKER TOYS [16]	467
KIDDE [17]	145
LANCASTER COLONY	495
LEAR SIEGLER [18]	156
MICHIGAN MILK PROD. ASSOC.	494
MONFORT OF COLORADO [19]	216
MOORE MCCORMACK RESOURCES	480
NACCO INDUSTRIES	429
NASHUA [13]	381
NVF [18]	279
REICHHOLD CHEMICALS [20]	367
REXNORD [21]	281
ROBERTSHAW CONTROLS [18]	490
ROCHESTER & PITTSBURGH	500
SHELLER-GLOBE [22]	322
SOUTHWEST FOREST INDUSTRIES [23]	394
STALEY CONTINENTAL [13]	132
TRACOR [18]	404
WINN ENTERPRISES [24]	295
WISCONSIN DAIRIES COOPERATIVE	482

* Figures in parentheses indicate year and sales rank the last time the company was listed.

[1] Acquired by Amax (rank: 124) November 24, 1986.

[2] Acquired by Valhi March 10, 1987.

[3] Acquired by Chrysler (rank: 10) August 5, 1987.

[4] Acquired by Newell (rank: 386) July 2, 1987.

[5] Acquired by Quaker Oats (rank: 93) October 31, 1986.

[6] Acquired by Tyco Laboratories (rank: 297) August 10, 1987.

[7] Merged with American Hoechst to form Hoechst Celanese (rank: 91) February 27, 1987.

[8] Acquired by Sun Chemical (later renamed Sequa) December 23, 1986.

[9] Acquired by Pullman (rank: 413) July 1, 1987.

[10] Acquired by Wickes December 9, 1986.

[11] Acquired by M.A. Hanna (rank: 500) September 1, 1987.

[12] Acquired by Anchor Glass Container (rank: 374) August 13, 1987.

[13] No longer classified as an industrial.

[14] Acquired by Bond Corporation Holdings Ltd. of Perth, Australia, March 10, 1988.

[15] Merged with Baker International to form Baker Hughes (rank: 197) April 3, 1987.

[16] Acquired by Tonka October 16, 1987.

[17] Acquired by Hanson Industries N.A. (rank: 115) November 9, 1987.

[18] Figures no longer made public.

[19] Acquired by ConAgra (rank: [illegible]) May 13, 1987.

[20] Acquired by Dainippon Ink & Chemicals (1986 International 500 rank: 265) September 9, 1987.

[21] Acquired by Banner Industries April 30, 1987.

[22] Acquired by Knoll International Holdings (rank: 191) June 11, 1986.

[23] Acquired by Stone Container (rank: 133) April 16, 1987.

[24] Liquidated after filing Chapter 11 October 13, 1986.

THE MONEY LOSERS

	SALES RANK	LOSS
TEXACO	7	$4,407,000,000
ROBINS (A.H.)	351	1,632,435,000
MAXUS ENERGY	285	539,600,000*
ALLEGHENY INT'L	250	451,157,000*
KAISERTECH	176	362,000,000*
BAKER HUGHES	197	254,822,000*
TENNECO	21	218,000,000*
DATA GENERAL	271	127,078,000*
MATTEL	322	113,163,000*
CAMERON IRON WORKS	489	110,165,000
COLECO INDUSTRIES	476	105,351,000*
DEERE	108	99,019,000*
FOXBORO	477	96,934,000
GOULD	278	95,600,000*
GENERAL INSTRUMENT	340	80,377,000*
CINCINNATI MILACRON	357	79,973,000
WANG LABORATORIES	146	70,700,000
WHEELING-PITTS. STEEL	326	65,732,000*
ADVANCED MICRO DEVICES	328	48,068,000*
QUAKER STATE	353	48,057,000
XIDEX	440	44,540,000
MURPHY OIL	235	43,638,000*
WESTMORELAND COAL	417	43,059,000
FRUEHAUF	147	41,480,241
M/A-COM	459	35,360,000
HARTE-HANKS COMMUN.	452	32,512,000
AVERY	426	31,733,000
ALLIS-CHALMERS	394	29,300,000*
NAT'L SEMICONDUCTOR	204	24,600,000*
NATIONAL GYPSUM	251	22,800,000
NL INDUSTRIES	253	19,913,000*
AMSTED INDUSTRIES	359	19,300,000*
ZENITH ELECTRONICS	170	19,129,000*
SWIFT INDEPENDENT	117	18,437,000
PERKIN ELMER	259	18,178,000
NORTH AMERICAN PHILIPS	86	18,081,000
CYCLOPS INDUSTRIES	303	17,003,000
CLARK EQUIPMENT	315	16,624,000*
KNOLL INT'L HOLDINGS	191	15,682,000*
UNITED MERCHANTS	375	15,251,000*
FRUIT OF THE LOOM	325	13,400,000
WARNACO GROUP	420	10,803,000*
INSILCO	387	10,679,000
NORTEK	267	7,250,000
VISTA CHEMICAL	421	3,696,000
FIELDCREST CANNON	247	3,658,000
ALLIED PRODUCTS	482	2,514,000
MINSTAR	348	2,511,000

*Also lost money in 1986.

THE FORTUNE 500

RANKED WITHIN INDUSTRY BY 11 MEASURES

INDUSTRY TABLE NUMBER	COMPANY 500 RANK	SALES				PROFITS				PROFITS AS % OF						EARNINGS PER SHARE		TOTAL RETURN TO INVESTORS				EMPLOYEES		
		$ Mil.	Rank	% change from 1986	Rank	$ Mil.	Rank	% change from 1986	Rank	Sales %	Rank	Assets %	Rank	Equity %	Rank	1977-87 annual growth rate %	Rank	1977-87 annual average %	Rank	1987 %	Rank	Number	Rank	% change from 1986
1	**AEROSPACE** 18 COMPANIES																							
	UNITED TECHNOLOGIES 15	**17,170**	1	**10**	4	**592**	3	**714**	1	**3**	10	**5**	9	**14**	8	**5**	11	**11**	15	**(24)**	9	**190,000**	1	**(2)**
	BOEING 20	**15,355**	2	**(6)**	17	**480**	4	**(28)**	13	**3**	12	**4**	12	**10**	13	**9**	8	**20**	6	**(25)**	11	**136,100**	2	**15**
	MCDONNELL DOUGLAS 26	**13,146**	3	**4**	10	**313**	7	**13**	5	**2**	15	**4**	14	**11**	11	**9**	9	**11**	14	**(14)**	7	**112,400**	5	**6**
	ROCKWELL INTERNATIONAL 27	**12,123**	4	**(1)**	13	**635**	2	**4**	8	**5**	2	**7**	4	**19**	6	**16**	5	**23**	4	**(14)**	6	**116,148**	3	**(4)**
	ALLIED-SIGNAL 28	**11,597**	5	**(2)**	14	**656**	1	**8**	6	**6**	1	**6**	7	**21**	4	**2**	14	**6**	18	**(26)**	13	**115,300**	4	**(16)**
	LOCKHEED 30	**11,370**	6	**11**	3	**421**	6	**3**	9	**4**	9	**7**	5	**20**	5	**18**	4	**22**	5	**(29)**	16	**99,300**	7	**2**
	GENERAL DYNAMICS 39	**9,344**	7	**1**	12	**437**	5	**—**		**5**	3	**9**	1	**27**	2	**18**	3	**20**	7	**(27)**	15	**105,300**	6	**(0)**
	NORTHROP 69	**6,053**	8	**8**	8	**94**	10	**129**	2	**2**	16	**3**	15	**10**	12	**2**	13	**17**	10	**(33)**	17	**48,200**	10	**3**
	TEXTRON 72	**5,661**	9	**8**	7	**256**	8	**7**	7	**5**	6	**5**	11	**11**	10	**5**	10	**11**	13	**(26)**	12	**61,000**	9	**(15)**
	MARTIN MARIETTA 79	**5,165**	10	**9**	5	**231**	9	**14**	4	**4**	7	**8**	2	**25**	3	**13**	7	**24**	1	**11**	2	**70,000**	8	**4**
	GRUMMAN 127	**3,325**	11	**(3)**	15	**36**	13	**(55)**	15	**1**	17	**2**	17	**5**	16	**(7)**	17	**13**	12	**(27)**	14	**33,700**	11	**1**
	PARKER HANNIFIN 203	**1,877**	12	**8**	6	**85**	11	**(3)**	10	**5**	5	**6**	8	**11**	9	**4**	12	**17**	8	**45**	1	**27,608**	12	**4**
	COLT INDUSTRIES 218	**1,642**	13	**2**	11	**75**	12	**(16)**	11	**5**	4	**7**	3	**—**		**21**	2	**24**	2	**(3)**	3	**16,600**	13	**(10)**
	SUNDSTRAND 254	**1,365**	14	**(5)**	16	**35**	14	**(24)**	12	**3**	14	**2**	16	**6**	15	**(2)**	16	**6**	17	**(18)**	8	**14,200**	14	**(11)**
	SEQUA 257	**1,350**	15	**37**	1	**—**		**—**		**—**		**—**		**—**		**—**		**16**	11	**(25)**	10	**—**		**—**
	FAIRCHILD INDUSTRIES 346	**897**	16	**(7)**	18	**23**	17	**—**		**3**	13	**5**	10	**49**	1	**0**	15	**6**	16	**(11)**	5	**4,877**	17	**(57)**
	KAMAN 393	**707**	17	**20**	2	**24**	16	**19**	3	**3**	11	**6**	6	**15**	7	**13**	6	**23**	3	**(6)**	4	**6,473**	16	**2**
	ROHR INDUSTRIES 404	**663**	18	**6**	9	**27**	15	**(43)**	14	**4**	8	**4**	13	**8**	14	**31**	1	**17**	9	**(44)**	18	**10,300**	15	**23**
	TOTAL	**118,811**				**4,420**																**1,167,506**		
	MEDIAN	**5,413**		**5**		**231**		**4**		**4**		**5**		**13**		**9**		**17**		**(24)**		**61,000**		**1**
2	**APPAREL** 10 COMPANIES																							
	INTERCO 155	**2,614**	1	**4**	3	**99**	3	**7**	6	**4**	6	**6**	7	**9**	7	**1**	6	**9**	6	**(9)**	3	**47,000**	2	**2**
	VF 159	**2,574**	2	**67**	1	**180**	1	**39**	2	**7**	2	**9**	2	**18**	2	**22**	2	**33**	1	**(19)**	5	**49,097**	1	**43**
	HARTMARX 307	**1,080**	3	**2**	6	**41**	4	**67**	1	**4**	5	**6**	6	**12**	6	**10**	4	**27**	2	**35**	1	**22,000**	3	**—**
	CLAIBORNE (LIZ) 312	**1,053**	4	**29**	2	**114**	2	**33**	3	**11**	1	**24**	1	**32**	1	**—**		**—**		**(22)**	6	**3,800**	10	**27**
	FRUIT OF THE LOOM 325	**1,013**	5	**(19)**	10	**(13)**		**—**		**—**		**—**		**—**		**—**		**—**		**—**		**19,600**	4	**17**
	WARNACO GROUP 420	**609**	6	**3**	5	**(11)**		**—**		**—**		**—**		**—**		**—**		**—**		**—**		**11,700**	7	**9**
	LESLIE FAY 436	**582**	7	**2**	7	**20**	7	**6**	7	**3**	7	**6**	5	**18**	3	**68**	1	**—**		**(53)**	8	**5,000**	9	**22**
	KELLWOOD 441	**572**	8	**(0)**	8	**25**	5	**32**	4	**4**	3	**8**	4	**16**	4	**6**	5	**15**	5	**(9)**	2	**14,000**	5	**(7)**
	OXFORD INDUSTRIES 455	**553**	9	**4**	4	**11**	8	**3**	8	**2**	8	**5**	8	**8**	8	**(1)**	7	**20**	4	**(19)**	4	**12,101**	6	**1**
	PHILLIPS-VAN HEUSEN 473	**514**	10	**(7)**	9	**20**	6	**26**	5	**4**	4	**8**	3	**12**	5	**15**	3	**22**	3	**(38)**	7	**8,000**	8	**10**
	TOTAL	**11,165**				**486**																**192,298**		
	MEDIAN	**811**		**2**		**33**		**29**		**4**		**7**		**14**		**10**		**21**		**(19)**		**13,051**		**10**
3	**BEVERAGES** 8 COMPANIES																							
	PEPSICO 29	**11,500**	1	**24**	2	**595**	3	**30**	3	**5**	6	**7**	4	**24**	2	**12**	4	**18**	4	**31**	1	**225,000**	1	**5**
	ANHEUSER-BUSCH 47	**8,258**	2	**8**	5	**615**	2	**19**	4	**7**	4	**9**	2	**21**	3	**20**	1	**30**	1	**30**	2	**41,541**	2	**(1)**
	COCA-COLA 54	**7,658**	3	**(12)**	8	**916**	1	**(2)**	6	**12**	2	**11**	1	**28**	1	**11**	5	**18**	5	**4**	3	**17,000**	4	**(39)**
	COCA-COLA ENTERPRISES 126	**3,329**	4	**71**	1	**88**	6	**218**	1	**3**	8	**2**	8	**6**	7	**—**		**—**		**0**	4	**21,500**	3	**7**
	SEAGRAM (JOSEPH E.) & SONS 192	**2,029**	5	**12**	3	**338**	4	**37**	2	**17**	1	**5**	5	**9**	6	**—**		**—**		**—**		**10,600**	6	**10**
	COORS (ADOLPH) 256	**1,351**	6	**3**	7	**48**	8	**(19)**	7	**4**	7	**3**	7	**5**	8	**(4)**	6	**5**	6	**(28)**	7	**9,900**	7	**1**
	BROWN-FORMAN 302	**1,098**	7	**10**	4	**90**	5	**4**	5	**8**	3	**8**	3	**15**	4	**16**	2	**21**	2	**(11)**	5	**6,600**	8	**(3)**
	GENERAL CINEMA 313	**1,053**	8	**4**	6	**69**	7	**(45)**	8	**7**	5	**4**	6	**13**	5	**15**	3	**20**	3	**(11)**	6	**14,900**	5	**19**
	TOTAL	**36,277**				**2,759**																**347,041**		
	MEDIAN	**2,679**		**9**		**214**		**11**		**7**		**6**		**14**		**14**		**19**		**0**		**15,950**		**3**
4	**BUILDING MATERIALS** 16 COMPANIES																							
	PPG INDUSTRIES 78	**5,183**	1	**11**	6	**377**	1	**19**	6	**7**	5	**8**	7	**18**	4	**16**	3	**23**	3	**(7)**	10	**36,800**	1	**1**
	OWENS-ILLINOIS 116	**3,715**	2	**2**	11	**—**		**—**		**—**		**—**		**—**		**—**		**—**		**—**		**—**		**—**
	USG 142	**3,046**	3	**6**	8	**204**	3	**(9)**	10	**7**	8	**10**	4	**33**	1	**17**	2	**25**	2	**(20)**	13	**22,200**	3	**2**
	OWENS-CORNING FIBERGLAS 144	**2,891**	4	**(21)**	16	**200**	4	**1,179**	1	**7**	7	**13**	1	**—**		**3**	8	**17**	7	**19**	9	**18,800**	4	**(32)**
	WALTER (JIM) 168	**2,386**	5	**3**	10	**166**	5	**20**	5	**7**	6	**6**	11	**13**	8	**6**	6	**19**	5	**62**	2	**16,750**	6	**1**
	CORNING GLASS WORKS 186	**2,084**	6	**12**	5	**208**	2	**17**	7	**10**	3	**8**	5	**14**	7	**6**	7	**9**	9	**(13)**	11	**25,500**	2	**2**
	MANVILLE 190	**2,063**	7	**7**	7	**73**	8	**(11)**	12	**4**	13	**3**	13	**7**	13	**(8)**	12	**(20)**	12	**20**	8	**18,600**	5	**(2)**
	NATIONAL GYPSUM 251	**1,380**	8	**(19)**	15	**(23)**		**—**		**—**		**—**		**—**		**—**		**—**		**—**		**9,335**	10	**(2)**
	NORTON 272	**1,261**	9	**14**	4	**67**	9	**—**		**5**	11	**6**	10	**13**	10	**2**	9	**14**	8	**31**	6	**15,500**	7	**2**
	LAFARGE 283	**1,221**	10	**27**	2	**75**	7	**189**	2	**6**	9	**7**	9	**13**	9	**—**		**—**		**30**	7	**6,305**	12	**9**

BY INDUSTRY

RANKED WITHIN INDUSTRY BY 11 MEASURES

INDUSTRY TABLE NUMBER	COMPANY 500 RANK	SALES				PROFITS				PROFITS AS % OF						EARNINGS PER SHARE		TOTAL RETURN TO INVESTORS				EMPLOYEES		
		$ Mil.	Rank	% change from 1986	Rank	$ Mil.	Rank	% chan from 1986	Rank	Sales %	Rank	Assets %	Rank	Equity %	Rank	1977-87 annual growth rate %	Rank	1977-87 annual average %	Rank	1987 %	Rank	Number	Rank	% change from 1986
	CERTAINTEED 294	**1,158**	11	**4**	9	**61**	10	**7**	9	**5**	10	**7**	8	**11**	11	**(1)**	11	**4**	11	**(18)**	12	**7,398**	11	**5**
	BROCKWAY 306	**1,082**	12	**2**	12	**41**	13	**35**	4	**4**	12	**8**	6	**15**	6	**6**	5	**21**	4	**112**	1	**12,000**	8	**—**
	ANCHOR GLASS CONTAINER 374	**766**	13	**30**	1	**20**	14	**(10)**	11	**3**	14	**3**	14	**23**	3	**—**		**—**		**50**	3	**9,938**	9	**84**
	LONE STAR INDUSTRIES 376	**761**	14	**(14)**	14	**57**	12	**(51)**	13	**8**	4	**4**	12	**9**	12	**1**	10	**8**	10	**(30)**	14	**5,066**	13	**(30)**
	CALMAT 424	**602**	15	**(1)**	13	**78**	6	**77**	3	**13**	1	**12**	2	**18**	5	**15**	4	**17**	6	**32**	5	**3,220**	15	**2**
	AFG INDUSTRIES 488	**488**	16	**20**	3	**58**	11	**9**	8	**12**	2	**11**	3	**26**	2	**82**	1	**46**	1	**41**	4	**4,481**	14	**24**
	TOTAL	**30,089**				**1,662**																**211,893**		
	MEDIAN	**1,320**		**5**		**74**		**17**		**7**		**7**		**14**		**6**		**17**		**25**		**12,000**		**2**
5	**CHEMICALS** 48 COMPANIES																							
	DU PONT (E.I.) DE NEMOURS 9	**30,468**	1	**12**	22	**1,786**	1	**16**	26	**6**	22	**6**	23	**13**	25	**7**	13	**14**	20	**7**	23	**140,145**	1	**(1)**
	DOW CHEMICAL 24	**13,377**	2	**20**	11	**1,240**	2	**69**	11	**9**	11	**9**	15	**21**	6	**8**	10	**19**	12	**58**	5	**53,100**	3	**4**
	MONSANTO 55	**7,639**	3	**11**	23	**436**	4	**1**	33	**6**	24	**5**	29	**11**	30	**4**	16	**17**	14	**12**	15	**49,734**	4	**(4)**
	UNION CARBIDE 59	**6,914**	4	**(12)**	45	**232**	8	**(53)**	36	**3**	35	**3**	38	**19**	11	**(1)**	24	**16**	17	**3**	28	**43,119**	6	**(14)**
	GRACE (W.R.) 81	**5,046**	5	**(26)**	48	**173**	14	**—**		**3**	34	**4**	35	**12**	28	**1**	19	**12**	24	**3**	26	**39,393**	7	**(5)**
	HOECHST CELANESE 91	**4,596**	6	**179**	3	**169**	15	**347**	2	**4**	32	**3**	37	**5**	38	**—**		**—**		**—**		**24,300**	10	**175**
	BASF 99	**4,334**	7	**19**	16	**131**	19	**25**	23	**3**	36	**5**	30	**14**	21	**—**		**—**		**—**		**20,834**	13	**4**
	BAYER USA 103	**4,199**	8	**23**	7	**123**	20	**31**	17	**3**	37	**4**	34	**12**	29	**—**		**—**		**—**		**24,105**	11	**27**
	AMERICAN CYANAMID 106	**4,166**	9	**9**	26	**276**	5	**36**	15	**7**	19	**7**	22	**15**	18	**8**	12	**17**	16	**8**	20	**34,267**	8	**(1)**
	HANSON IND. N.A. 115	**3,769**	10	**0**	39	**229**	9	**122**	8	**6**	21	**8**	19	**31**	4	**—**		**—**		**—**		**43,125**	5	**2**
	BORG-WARNER 119	**3,554**	11	**(2)**	41	**—**		**—**		**—**		**—**		**—**		**—**		**—**		**—**		**72,800**	2	**(12)**
	FMC 137	**3,139**	12	**5**	35	**181**	13	**18**	25	**6**	23	**7**	21	**—**		**2**	18	**28**	2	**31**	10	**24,797**	9	**(1)**
	HERCULES 150	**2,693**	13	**3**	37	**821**	3	**262**	3	**30**	1	**24**	2	**37**	3	**27**	1	**17**	13	**(4)**	31	**23,152**	12	**(6)**
	QUANTUM CHEMICAL 154	**2,642**	14	**26**	6	**252**	6	**233**	4	**10**	10	**10**	11	**24**	5	**9**	8	**22**	8	**75**	4	**10,906**	21	**(20)**
	ENGELHARD 163	**2,479**	15	**8**	29	**70**	28	**31**	18	**3**	38	**6**	26	**10**	35	**—**		**—**		**9**	19	**6,700**	31	**(3)**
	ROHM & HAAS 177	**2,203**	16	**7**	33	**196**	11	**42**	13	**9**	12	**10**	7	**19**	12	**17**	2	**24**	7	**(7)**	33	**12,021**	19	**(0)**
	GOODRICH (B.F.) 180	**2,168**	17	**(15)**	46	**105**	21	**221**	5	**5**	26	**5**	28	**10**	33	**0**	21	**13**	23	**(2)**	30	**11,972**	20	**0**
	AIR PRODUCTS & CHEMICALS 183	**2,140**	18	**8**	31	**156**	16	**3,186**	1	**7**	17	**6**	25	**14**	23	**9**	9	**15**	19	**18**	14	**12,100**	18	**(27)**
	SHERWIN-WILLIAMS 185	**2,095**	19	**(7)**	44	**97**	22	**(9)**	35	**5**	27	**8**	16	**18**	15	**—**		**24**	6	**(10)**	34	**15,901**	15	**16**
	MORTON THIOKOL 194	**1,987**	20	**2**	38	**138**	17	**4**	30	**7**	18	**8**	17	**15**	19	**13**	6	**20**	10	**9**	18	**19,663**	14	**10**
	OLIN 196	**1,930**	21	**13**	20	**78**	27	**4**	31	**4**	31	**5**	33	**11**	31	**0**	20	**15**	18	**6**	24	**14,100**	16	**7**
	ETHYL 212	**1,720**	22	**9**	27	**193**	12	**9**	27	**11**	5	**10**	10	**20**	8	**11**	7	**27**	4	**0**	29	**10,000**	22	**(5)**
	INT'L MINERALS & CHEMICAL 219	**1,638**	23	**(4)**	43	**21**	39	**—**		**1**	40	**1**	41	**2**	41	**(23)**	28	**12**	25	**84**	3	**12,200**	17	**(12)**
	CABOT 241	**1,424**	24	**9**	28	**29**	37	**(60)**	37	**2**	39	**2**	40	**5**	39	**(2)**	25	**20**	11	**12**	16	**5,100**	33	**(23)**
	NL INDUSTRIES 253	**1,371**	25	**7**	32	**(20)**		**—**		**—**		**—**		**—**		**—**		**4**	32	**11**	17	**7,985**	25	**59**
	DOW CORNING 266	**1,303**	26	**20**	13	**135**	18	**22**	24	**10**	7	**10**	8	**19**	10	**—**		**—**		**—**		**7,000**	29	**9**
	NAT'L STARCH & CHEM. 287	**1,208**	27	**14**	19	**92**	23	**28**	20	**8**	15	**10**	9	**19**	13	**—**		**—**		**—**		**6,759**	30	**5**
	PENNWALT 289	**1,197**	28	**8**	30	**52**	31	**1**	32	**4**	28	**5**	31	**11**	32	**(1)**	22	**8**	30	**(6)**	32	**9,000**	23	**(6)**
	HIMONT 292	**1,165**	29	**20**	14	**227**	10	**133**	7	**19**	3	**15**	4	**21**	7	**—**		**—**		**5**	25	**2,800**	40	**(1)**
	TYLER 300	**1,100**	30	**14**	18	**12**	41	**1**	34	**1**	41	**2**	39	**7**	37	**(3)**	26	**8**	29	**(12)**	35	**7,500**	27	**(0)**
	LUBRIZOL 324	**1,013**	31	**4**	36	**81**	25	**4**	29	**8**	13	**9**	14	**13**	24	**3**	17	**11**	27	**8**	21	**4,817**	35	**0**
	ARISTECH CHEMICAL 344	**919**	32	**22**	8	**70**	29	**46**	12	**8**	16	**13**	5	**19**	9	**—**		**—**		**52**	7	**1,685**	44	**(1)**
	FERRO 349	**871**	33	**20**	12	**32**	36	**32**	16	**4**	33	**6**	24	**12**	27	**5**	14	**14**	22	**19**	13	**7,920**	26	**1**
	NALCO CHEMICAL 354	**842**	34	**14**	17	**80**	26	**26**	22	**10**	9	**11**	6	**18**	14	**5**	15	**14**	21	**25**	11	**5,085**	34	**4**
	GAF 356	**837**	35	**11**	24	**238**	7	**194**	6	**28**	2	**18**	3	**47**	2	**—**		**27**	3	**23**	12	**4,635**	36	**10**
	CF INDUSTRIES 363	**810**	36	**6**	34	**—**		**—**		**—**		**—**		**—**		**—**		**—**		**—**		**1,424**	46	**5**
	DEXTER 370	**783**	37	**20**	10	**43**	33	**27**	21	**5**	25	**7**	20	**15**	20	**8**	11	**17**	15	**8**	22	**5,300**	32	**(4)**
	INSILCO 387	**718**	38	**(4)**	42	**(11)**		**—**		**—**		**—**		**—**		**—**		**12**	26	**(18)**	37	**7,446**	28	**3**
	GEORGIA GULF 392	**707**	39	**21**	9	**82**	24	**109**	9	**12**	4	**27**	1	**57**	1	**—**		**—**		**183**	1	**993**	48	**(2)**
	VISTA CHEMICAL 421	**609**	40	**11**	25	**(4)**		**—**		**—**		**—**		**—**		**—**		**—**		**143**	2	**1,612**	45	**5**
	AVERY 426	**600**	41	**5,706**	1	**(32)**		**—**		**—**		**—**		**—**		**—**		**—**		**—**		**2,660**	41	**—**
	FULLER (H.B.) 431	**597**	42	**13**	21	**26**	38	**36**	14	**4**	29	**8**	18	**16**	16	**15**	5	**26**	5	**46**	8	**4,600**	37	**2**
	LIQUID AIR 444	**566**	43	**(1)**	40	**37**	34	**6**	28	**6**	20	**5**	32	**12**	26	**(1)**	23	**6**	31	**(17)**	36	**4,011**	38	**(9)**
	BIG THREE INDUSTRIES 470	**518**	44	**(20)**	47	**51**	32	**—**		**10**	8	**6**	27	**10**	34	**—**		**—**		**—**		**2,298**	43	**(7)**
	GROW GROUP 480	**502**	45	**37**	5	**1**	42	**(83)**	38	**0**	42	**0**	42	**2**	40	**(23)**	29	**10**	28	**(40)**	38	**3,500**	39	**(4)**
	GREAT LAKES CHEMICAL 481	**501**	46	**67**	4	**56**	30	**107**	10	**11**	6	**10**	12	**14**	22	**15**	4	**22**	9	**52**	6	**2,560**	42	**16**
	SCHULMAN (A.) 498	**464**	47	**20**	15	**20**	40	**30**	19	**4**	30	**9**	13	**16**	17	**17**	3	**37**	1	**36**	9	**1,111**	47	**3**
	HANNA (M.A.) 500	**459**	48	**252**	2	**36**	35	**—**		**8**	14	**4**	36	**9**	36	**(7)**	27	**(3)**	33	**3**	27	**8,643**	24	**137**
	TOTAL	**135,981**				**8,433**																**834,878**		
	MEDIAN	**1,398**		**11**		**101**		**29**		**6**		**7**		**14**		**5**		**16**		**9**		**8,314**		**(0)**

THE FORTUNE 500

INDUSTRY TABLE NUMBER	COMPANY 500 RANK	RANKED WITHIN INDUSTRY BY 11 MEASURES																						
		SALES				PROFITS				PROFITS AS % OF						EARNINGS PER SHARE		TOTAL RETURN TO INVESTORS				EMPLOYEES		
										Sales		Assets		Equity		1977-87 annual growth rate		1977-87 annual average		1987				
		$ Mil.	Rank	% change from 1986	Rank	$ Mil.	Rank	% change from 1986	Rank	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank	Number	Rank	% change from 1986
6	**COMPUTERS (INCLUDES OFFICE EQUIPMENT)** 25 COMPANIES																							
	IBM 4	54,217	1	6	22	5,258	1	10	16	10	8	8	11	14	12	7	11	10	13	(1)	16	389,348	1	(4)
	UNISYS 36	9,713	2	31	9	578	4	—		6	16	6	15	13	15	6	12	8	14	29	10	92,500	3	(6)
	DIGITAL EQUIPMENT 38	9,389	3	24	10	1,137	2	84	5	12	2	14	4	18	9	20	6	19	11	29	11	110,500	2	17
	HEWLETT-PACKARD 49	8,090	4	14	16	644	3	25	10	8	12	8	13	13	14	17	7	21	9	40	8	82,000	4	—
	NCR 74	5,641	5	16	13	419	5	25	11	7	13	10	8	19	6	13	10	23	7	46	6	62,000	5	—
	CONTROL DATA 125	3,367	6	1	23	19	20	—		1	21	1	21	2	21	(13)	14	5	15	(18)	20	34,500	6	0
	WANG LABORATORIES 146	2,837	7	7	20	(71)		—		—		—		—		—		21	10	0	15	30,306	7	(4)
	APPLE COMPUTER 152	2,661	8	40	6	217	6	41	7	8	11	15	3	26	3	—		—		108	2	7,228	15	29
	PITNEY BOWES 175	2,251	9	13	17	199	7	19	12	9	10	8	12	19	7	14	9	27	4	6	13	29,460	8	1
	AMDAHL 231	1,505	10	56	4	146	9	249	1	10	7	10	10	19	8	2	13	11	12	52	4	7,500	14	6
	DATA GENERAL 271	1,274	11	1	24	(127)		—		—		—		—		—		(1)	16	(20)	21	15,685	9	1
	GOULD 278	1,233	12	(14)	25	(96)		—		—		—		—		—		(4)	17	(26)	23	10,126	10	(5)
	COMPAQ COMPUTER 282	1,224	13	96	2	136	10	218	2	11	4	15	2	34	2	—		—		188	1	4,000	23	81
	TANDEM COMPUTERS 318	1,035	14	35	7	106	11	66	6	10	6	11	7	15	11	60	1	36	2	61	3	7,007	17	23
	PRIME COMPUTER 334	961	15	12	18	65	14	38	8	7	15	5	17	13	13	28	3	24	6	(5)	17	8,818	12	2
	TELEX 360	822	16	18	11	77	12	14	15	9	9	12	5	22	5	25	5	34	3	(15)	19	8,000	13	8
	STORAGE TECHNOLOGY 379	750	17	8	19	26	17	(28)	18	3	18	3	20	11	18	(16)	15	(10)	18	(46)	24	8,865	11	3
	CRAY RESEARCH 397	687	18	15	14	147	8	18	13	21	1	16	1	24	4	48	2	43	1	(13)	18	4,308	21	8
	INTERGRAPH 409	641	19	6	21	70	13	(1)	17	11	5	10	9	12	16	—		—		46	5	6,300	19	11
	XIDEX 440	573	20	33	8	(45)		—		—		—		—		—		—		(47)	25	7,066	16	10
	COMPUTERVISION 446	564	21	14	15	19	19	—		3	19	4	18	10	19	17	8	26	5	4	14	4,575	20	(4)
	APOLLO COMPUTER 454	554	22	41	5	22	18	132	4	4	17	5	16	10	20	—		—		(22)	22	3,992	24	12
	SCI SYSTEMS 456	553	23	18	12	16	21	16	14	3	20	4	19	12	17	27	4	23	8	13	12	6,660	18	28
	SUN MICROSYSTEMS 463	538	24	156	1	36	16	204	3	7	14	7	14	15	10	—		—		40	9	4,200	22	107
	ATARI 484	493	25	91	3	57	15	29	9	12	3	11	6	34	1	—		—		45	7	3,950	25	172
	TOTAL	111,573				9,059																948,894		
	MEDIAN	1,224		16		106		27		8		8		15		17		21		6		8,000		8
7	**ELECTRONICS** 46 COMPANIES																							
	GENERAL ELECTRIC 6	39,315	1	12	17	2,915	1	17	19	7	12	7	17	18	11	10	14	18	13	5	19	302,000	2	(16)
	AMERICAN TEL. & TEL. 8	33,598	2	(1)	40	2,044	2	1,371	1	6	15	5	25	14	19	(12)	32	5	36	13	14	303,000	1	(4)
	WESTINGHOUSE ELECTRIC 33	10,679	3	(0)	38	739	4	10	27	7	14	7	18	21	6	14	8	24	4	(8)	29	112,478	4	(4)
	ITT 45	8,551	4	8	19	1,018	3	106	6	12	3	8	16	13	24	5	23	16	21	41	6	120,000	3	(2)
	RAYTHEON 53	7,659	5	5	29	445	6	13	22	6	16	11	7	24	4	13	10	18	14	1	22	76,500	9	2
	TRW 61	6,821	6	6	27	243	13	12	23	4	29	6	24	17	14	5	21	16	20	16	12	77,900	8	(1)
	MOTOROLA 62	6,707	7	14	13	308	9	59	8	5	25	6	22	10	31	7	18	17	16	41	5	97,700	5	3
	HONEYWELL 63	6,679	8	(6)	42	254	10	—		4	28	5	27	11	28	5	22	13	27	(6)	27	78,881	6	1
	EMERSON ELECTRIC 67	6,170	9	25	10	467	5	14	21	8	11	10	9	17	13	9	15	16	19	28	9	68,700	10	13
	TEXAS INSTRUMENTS 75	5,595	10	12	16	309	8	960	2	6	18	7	19	14	21	8	17	11	31	43	4	77,984	7	1
	NORTH AMERICAN PHILIPS 86	4,847	11	7	23	(18)		—		—		—		—		—		—		—		50,489	12	0
	LITTON INDUSTRIES 96	4,420	12	(2)	41	138	19	94	7	3	31	3	32	13	23	16	4	21	9	(3)	26	54,200	11	(2)
	WHIRLPOOL 105	4,179	13	4	32	192	15	(4)	31	5	24	8	15	15	18	6	19	14	22	(26)	39	30,412	17	(2)
	EATON 110	4,054	14	6	24	201	14	46	12	5	20	7	20	19	9	6	20	17	17	10	15	35,914	15	(17)
	COOPER INDUSTRIES 118	3,586	15	4	31	174	16	18	17	5	23	5	29	11	29	4	26	13	23	38	7	43,200	14	7
	COMBUSTION ENGINEERING 128	3,301	16	29	7	57	28	11	24	2	35	2	35	7	35	(3)	30	10	33	(0)	23	27,581	20	14
	TELEDYNE 134	3,217	17	(1)	39	377	7	58	9	12	4	12	5	19	7	16	2	28	1	2	20	44,400	13	(1)
	JOHNSON CONTROLS 151	2,677	18	1	37	90	21	(7)	32	3	30	5	26	12	27	5	24	10	34	(8)	28	26,900	21	—
	ZENITH ELECTRONICS 170	2,363	19	25	9	(19)		—		—		—		—		—		3	38	(33)	41	35,000	16	(5)
	AMP 171	2,318	20	20	11	250	11	52	10	11	5	12	6	19	10	13	9	20	10	32	8	22,000	24	1
	HARRIS 187	2,079	21	(6)	43	85	22	42	13	4	27	5	28	9	33	2	27	4	37	(10)	32	24,300	22	(9)
	MAYTAG 199	1,909	22	4	35	153	17	37	14	8	9	18	1	37	3	11	13	20	11	(2)	24	13,072	33	7
	INTEL 200	1,907	23	51	5	248	12	—		13	2	10	10	19	8	18	1	21	8	89	1	19,200	27	3
	SINGER 202	1,903	24	(9)	44	26	33	(68)	34	1	36	2	36	4	38	(15)	33	10	32	27	10	28,000	19	—
	NATIONAL SEMICONDUCTOR 204	1,868	25	26	8	(25)		—		—		—		—		—		11	30	13	13	29,241	18	(5)
	SQUARE D 234	1,484	26	6	26	110	20	11	25	7	13	9	11	16	15	4	25	13	24	17	11	19,800	25	(4)
	CHICAGO PACIFIC 244	1,412	27	48	6	35	30	21	16	2	32	2	34	8	34	—		—		(10)	30	22,101	23	12
	RELIANCE ELECTRIC 245	1,408	28	6	25	4	38	(87)	35	0	39	0	39	10	32	—		—		—		16,878	29	—
	ALLEGHENY INTERNATIONAL 250	1,390	29	(28)	45	(451)		—		—		—		—		—		(14)	39	(78)	42	12,800	34	(29)
	NAT'L SERVICE IND. 261	1,327	30	3	36	76	23	6	29	6	17	10	8	15	17	12	11	25	3	(2)	25	19,400	26	1

INDUSTRY TABLE NUMBER	COMPANY 500 RANK	RANKED WITHIN INDUSTRY BY 11 MEASURES																						
		SALES				PROFITS				PROFITS AS % OF						EARNINGS PER SHARE		TOTAL RETURN TO INVESTORS				EMPLOYEES		
										Sales		Assets		Equity		1977-87 annual growth rate		1977-87 annual average		1987				
		$ Mil.	Rank	% change from 1986	Rank	$ Mil.	Rank	% change from 1986	Rank	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank	Number	Rank	% change from 1986
	E-SYSTEMS 281	1,227	31	8	20	60	26	(2)	30	5	21	9	12	14	20	8	16	21	7	(10)	31	15,506	31	4
	ADVANCED MICRO DEVICES 328	997	32	73	3	(48)		—		—		—		—		—		20	12	(28)	40	18,000	28	31
	CHAMPION SPARK PLUG 329	996	33	13	14	19	36	11	26	2	34	3	31	5	36	(9)	31	6	35	6	18	9,200	38	(26)
	VARIAN ASSOCIATES 332	983	34	8	21	21	35	—		2	33	3	33	5	37	2	28	11	29	7	17	11,900	36	3
	SEAGATE TECHNOLOGY 335	958	35	108	2	140	18	305	3	15	1	17	2	39	2	—		—		(22)	37	14,932	32	85
	GENERAL INSTRUMENT 340	947	36	13	15	(80)		—		—		—		—		—		17	18	65	2	16,300	30	(20)
	RAYCHEM 341	944	37	18	12	74	24	51	11	8	10	8	14	13	25	16	3	18	15	51	3	9,899	37	(0)
	LORAL 396	690	38	4	34	57	27	8	28	8	8	4	30	16	16	15	5	22	6	(17)	35	7,400	41	(9)
	PITTWAY 407	649	39	11	18	32	31	17	18	5	19	6	23	10	30	1	29	13	25	(22)	36	8,000	40	11
	BAIRNCO 412	630	40	8	22	28	32	25	15	4	26	6	21	13	22	15	6	26	2	(12)	34	5,341	43	(0)
	MAGNETEK 419	609	41	123	1	5	37	(8)	33	1	37	1	37	49	1	—		—		—		12,500	35	108
	HUBBELL 437	581	42	4	33	63	25	15	20	11	6	13	4	18	12	12	12	22	5	9	16	5,211	44	(7)
	M/A-COM 459	543	43	(39)	46	(35)		—		—		—		—		—		13	26	(24)	38	6,756	42	(25)
	SCIENTIFIC-ATLANTA 483	495	44	6	28	24	34	—		5	22	8	13	12	26	15	7	12	28	2	21	3,350	45	(18)
	SPRAGUE TECHNOLOGIES 495	470	45	5	30	4	39	—		1	38	1	38	1	39	—		—		—		8,353	39	—
	WESTERN DIGITAL 499	462	46	54	4	48	29	108	5	10	7	16	3	24	5	—		—		(12)	33	3,338	46	35
	TOTAL	195,603				10,855																2,046,017		
	MEDIAN	1,905		7		110		17		5		7		14		8		16		2		22,051		(0)
8	**FOOD** 47 COMPANIES																							
	OCCIDENTAL PETROLEUM 16	17,096	1	11	23	240	12	33	12	1	34	1	37	5	37	(10)	32	9	31	(5)	22	50,350	6	(2)
	KRAFT 31	11,011	2	26	6	489	2	18	20	4	14	9	12	26	6	7	25	21	16	3	18	46,500	9	(9)
	SARA LEE 40	9,155	3	15	14	267	6	20	18	3	23	6	21	19	15	12	12	25	11	7	13	92,400	2	6
	CONAGRA 41	9,002	4	52	1	149	15	41	7	2	32	6	23	21	12	17	5	33	2	(9)	26	42,176	10	25
	BEATRICE 42	8,926	5	6	32	—		—		—		—		—		—		—		—		62,000	4	—
	BORDEN 64	6,514	6	30	5	267	7	20	17	4	17	6	20	16	19	10	17	23	13	8	12	39,400	12	17
	PILLSBURY 68	6,128	7	5	38	182	14	(13)	32	3	22	5	29	13	27	9	19	18	21	6	14	104,900	1	(3)
	RALSTON PURINA 70	5,868	8	6	31	523	1	35	11	9	3	14	3	54	1	18	4	21	17	(8)	25	58,298	5	(7)
	ARCHER DANIELS MIDLAND 71	5,775	9	8	26	265	8	15	22	5	13	7	18	11	31	11	14	17	23	22	7	10,573	22	2
	GENERAL MILLS 77	5,208	10	14	16	222	13	21	16	4	15	10	9	30	5	8	22	19	20	18	9	65,619	3	6
	CPC INTERNATIONAL 84	4,903	11	8	29	355	4	62	4	7	6	11	6	33	4	12	13	19	19	5	16	31,400	14	(19)
	HEINZ (H.J.) 88	4,639	12	6	33	339	5	12	23	7	5	10	8	24	8	15	7	26	9	2	19	49,000	8	4
	IC INDUSTRIES 92	4,581	13	3	40	252	9	—		5	9	5	27	16	20	7	24	25	12	47	2	33,468	13	(12)
	QUAKER OATS 93	4,539	14	24	7	244	11	36	8	5	10	8	16	22	10	15	8	27	8	6	15	30,800	15	4
	CAMPBELL SOUP 94	4,490	15	3	41	247	10	11	25	6	8	8	14	14	23	9	20	18	22	0	21	49,226	7	5
	KELLOGG 114	3,793	16	14	17	396	3	24	15	10	1	15	2	33	3	13	9	22	14	3	17	17,762	17	2
	SWIFT INDEPENDENT 117	3,692	17	34	4	(18)		—		—		—		—		—		—		—		6,850	30	(1)
	UNITED BRANDS 131	3,268	18	(1)	43	59	21	10	26	2	30	5	26	14	24	23	2	22	15	39	3	40,000	11	3
	HERSHEY FOODS 165	2,434	19	12	20	148	16	12	24	6	7	9	11	18	17	13	11	27	7	2	20	16,200	18	1
	HORMEL (GEO. A.) 172	2,314	20	18	10	46	23	18	21	2	28	7	19	12	29	8	23	26	10	27	5	8,900	25	49
	LAND O'LAKES 179	2,189	21	(1)	44	—		—		—		—		—		—		—		—		7,087	28	7
	TYSON FOODS 207	1,786	22	19	9	68	20	35	10	4	18	8	13	25	7	39	1	46	1	(29)	31	25,200	16	1
	INT'L MULTIFOODS 228	1,533	23	13	18	52	22	107	2	3	21	8	15	16	21	8	21	12	28	15	10	8,602	26	(8)
	CENTRAL SOYA 229	1,523	24	3	39	9	35	382	1	1	36	2	36	12	28	—		—		—		3,200	39	(9)
	GOLD KIST 232	1,500	25	8	30	—		—		—		—		—		—		—		—		9,500	23	1
	MID-AMERICA DAIRYMEN 233	1,500	26	6	36	—		—		—		—		—		—		—		—		3,800	37	27
	DEAN FOODS 238	1,435	27	13	19	41	24	1	29	3	24	9	10	17	18	15	6	30	4	(10)	27	6,900	29	16
	LIPTON (THOMAS J.) 243	1,413	28	8	25	109	17	19	19	8	4	13	4	20	13	—		—		—		5,242	33	0
	HOLLY FARMS 246	1,407	29	16	13	72	18	96	3	5	11	10	7	21	11	19	3	20	18	(31)	32	14,500	20	32
	AMSTAR 248	1,400	30	6	34	24	30	(32)	33	2	31	3	34	34	2	—		—		—		5,275	32	(31)
	WILSON FOODS 258	1,348	31	(7)	47	6	37	—		0	37	3	35	8	36	—		—		(15)	29	4,900	34	4
	MCCORMICK 308	1,078	32	11	24	31	25	3	28	3	25	4	30	11	32	7	27	12	27	(5)	23	7,501	27	2
	SMITHFIELD FOODS 316	1,047	33	21	8	7	36	42	6	1	35	5	28	19	14	13	10	33	3	31	4	4,700	35	(2)
	GERBER PRODUCTS 317	1,046	34	8	28	28	26	(37)	34	3	26	4	31	9	34	2	30	16	25	(14)	28	15,872	19	4
	SAVANNAH FOODS & IND. 347	879	35	38	3	14	32	35	9	2	33	4	32	12	30	10	18	29	6	22	8	1,873	43	37
	FLOWERS INDUSTRIES 366	797	36	14	15	28	27	(6)	30	3	20	7	17	16	22	10	16	30	5	24	6	9,370	24	(6)
	WRIGLEY (WM. JR.) 371	781	37	12	21	70	19	30	13	9	2	17	1	24	9	10	15	17	24	56	1	5,500	31	—
	INTERSTATE BAKERIES 380	749	38	6	35	14	33	(9)	31	2	29	6	25	14	25	7	26	12	29	(27)	30	11,300	21	3
	OCEAN SPRAY CRANBERRIES 385	723	39	16	12	—		—		—		—		—		—		—		—		1,890	42	2
	UNIVERSAL FOODS 390	710	40	18	11	25	29	61	5	3	19	6	22	14	26	5	28	14	26	14	11	3,869	36	(18)
	AG PROCESSING 400	676	41	8	27	—		—		—		—		—		—		—		—		588	46	(7)

THE FORTUNE 500

RANKED WITHIN INDUSTRY BY 11 MEASURES

INDUSTRY TABLE NUMBER	COMPANY 500 RANK	SALES				PROFITS				PROFITS AS % OF						EARNINGS PER SHARE		TOTAL RETURN TO INVESTORS				EMPLOYEES		
		$ Mil.	Rank	% change from 1986	Rank	$ Mil.	Rank	% change from 1986	Rank	Sales %	Rank	Assets %	Rank	Equity %	Rank	1977-87 annual growth rate %	Rank	1977-87 annual average %	Rank	1987 %	Rank	Number	Rank	% change from 1986
	THORN APPLE VALLEY 425	602	42	(1)	46	1	38	—		0	38	1	38	4	38	(10)	33	4	33	—		2,440	41	(1)
	CALIF. & HAWAIIAN SUGAR 435	588	43	12	22	—		—		—		—		—		—		—		—		1,186	45	(10)
	SHAKLEE 442	572	44	44	2	23	31	(60)	35	4	16	6	24	9	33	(3)	31	5	32	(7)	24	4,700	35	370
	RICELAND FOODS 466	525	45	(1)	45	26	28	8	27	5	12	12	5	19	16	—		—		—		1,797	44	(8)
	SUN-DIAMOND GROWERS 468	523	46	5	37	—		—		—		—		—		—		—		—		2,452	40	(2)
	AMERICAN MAIZE-PRODUCTS 475	507	47	(1)	42	13	34	30	14	2	27	3	33	8	35	4	29	10	30	(33)	33	3,352	38	4
	TOTAL	152,170				5,329																1,028,418		
	MEDIAN	1,523		11		69		20		3		7		16		10		21		3		9,435		1
9	**FOREST PRODUCTS** 32 COMPANIES																							
	GEORGIA-PACIFIC 44	8,603	1	19	16	458	1	55	17	5	20	8	9	17	9	5	19	6	27	(4)	27	42,000	2	8
	INTERNATIONAL PAPER 52	7,763	2	41	3	407	3	33	19	5	21	5	29	10	29	4	22	12	23	15	10	45,500	1	3
	WEYERHAEUSER 58	6,990	3	24	12	447	2	61	15	6	18	6	20	12	25	3	26	8	26	6	19	39,835	3	6
	KIMBERLY-CLARK 85	4,885	4	14	19	325	5	21	24	7	14	8	7	21	5	10	7	23	8	29	6	37,357	4	2
	CHAMPION INTERNATIONAL 90	4,615	5	5	27	382	4	90	9	8	11	6	19	13	20	4	23	10	25	14	12	30,700	6	(5)
	JAMES RIVER CORP. OF VA. 95	4,479	6	72	1	170	11	78	11	4	29	4	30	9	30	20	1	27	4	(29)	30	35,000	5	52
	MEAD 102	4,209	7	31	7	218	7	500	1	5	22	7	10	17	8	5	18	18	14	26	8	20,500	8	(0)
	SCOTT PAPER 109	4,122	8	20	14	234	6	25	20	6	19	5	26	15	14	9	11	22	9	14	11	25,400	7	2
	BOISE CASCADE 113	3,821	9	2	29	183	10	80	10	5	25	5	25	12	27	4	24	15	19	17	9	20,244	9	(13)
	STONE CONTAINER 133	3,233	10	59	2	161	12	356	2	5	23	7	13	22	4	15	2	31	1	28	7	18,800	10	21
	GREAT NORTHERN NEKOOSA 157	2,589	11	27	11	201	9	135	6	8	12	6	22	16	10	8	12	23	7	49	1	16,300	12	16
	UNION CAMP 173	2,308	12	13	21	207	8	60	16	9	5	7	12	14	17	6	17	14	22	10	15	17,492	11	1
	LOUISIANA-PACIFIC 198	1,922	13	28	10	125	16	(33)	31	7	16	6	18	12	26	7	16	14	21	(8)	28	15,000	14	18
	WESTVACO 201	1,904	14	5	28	146	14	35	18	8	13	7	17	12	23	8	14	17	16	5	21	14,670	15	(3)
	FORT HOWARD 210	1,758	15	13	20	158	13	8	29	9	6	7	11	12	24	11	6	19	12	(23)	29	15,925	13	(4)
	TEMPLE-INLAND 223	1,603	16	21	13	141	15	75	12	9	8	8	8	15	13	—		—		7	17	11,600	20	5
	AVERY INTERNATIONAL 237	1,466	17	30	8	35	28	(29)	30	2	31	3	31	7	31	7	15	21	10	5	20	11,960	19	7
	WILLAMETTE INDUSTRIES 239	1,432	18	19	15	121	17	63	14	8	9	10	6	20	6	10	9	17	17	9	16	8,660	21	3
	SONOCO PRODUCTS 265	1,312	19	36	4	61	26	12	26	5	26	7	15	16	11	12	5	26	5	14	13	14,199	16	18
	NORTEK 267	1,303	20	35	5	(7)		—		—		—		—		—		16	18	(46)	31	12,000	18	17
	ESSELTE BUSINESS SYSTEMS 276	1,242	21	28	9	57	27	25	22	5	27	6	23	13	19	—		—		6	18	13,090	17	8
	BOWATER 279	1,231	22	34	6	81	22	64	13	7	15	5	28	10	28	—		—		(1)	25	5,000	27	4
	JEFFERSON SMURFIT 301	1,099	23	5	26	92	19	229	4	8	10	13	2	42	1	—		—		33	4	7,800	22	—
	FEDERAL PAPER BOARD 319	1,026	24	8	24	66	24	257	3	6	17	6	24	13	22	12	4	23	6	45	2	5,800	26	2
	POTLATCH 330	992	25	2	30	88	20	25	21	9	7	7	16	14	18	4	21	11	24	1	23	7,127	25	(11)
	BEMIS 342	930	26	8	25	32	30	25	23	3	30	6	21	15	15	4	25	27	3	39	3	7,604	23	(4)
	CONSOLIDATED PAPERS 382	743	27	14	18	96	18	9	28	13	3	12	4	16	12	13	3	28	2	12	14	4,374	29	0
	DENNISON MANUFACTURING 391	708	28	1	31	34	29	14	25	5	24	7	14	15	16	4	20	17	15	(1)	26	7,371	24	(7)
	CHESAPEAKE 401	676	29	13	22	30	31	120	7	4	28	5	27	13	21	9	10	18	13	0	24	3,905	30	(14)
	LONGVIEW FIBRE 443	569	30	17	17	65	25	95	8	11	4	12	3	23	3	10	8	15	20	30	5	3,350	31	2
	TAMBRANDS 462	539	31	11	23	77	23	11	27	14	2	19	1	24	2	8	13	19	11	1	22	4,700	28	(2)
	GEORGIA KRAFT 474	511	32	(8)	32	87	21	216	5	17	1	12	5	17	7	—		—		—		2,100	32	(31)
	TOTAL	80,580				4,978																525,363		
	MEDIAN	1,534		18		125		60		7		7		15		8		18		9		13,645		2
10	**FURNITURE** 8 COMPANIES																							
	MASCO 193	2,023	1	39	2	219	1	8	5	11	1	8	6	16	3	13	4	18	6	(25)	8	27,000	1	29
	MOHASCO 364	807	2	6	8	13	8	(20)	8	2	8	3	8	6	8	2	8	14	7	(4)	4	10,647	2	(13)
	LEGGETT & PLATT 406	649	3	11	5	37	2	8	4	6	4	10	3	18	2	15	3	23	3	(13)	6	9,800	3	15
	OHIO MATTRESS 429	598	4	101	1	23	6	101	1	4	7	4	7	10	6	19	2	27	2	(18)	7	5,540	7	121
	MILLER (HERMAN) 439	574	5	8	7	33	3	(12)	6	6	3	10	4	16	4	24	1	27	1	(2)	3	4,982	8	13
	HON INDUSTRIES 453	555	6	10	6	25	5	(15)	7	4	6	10	2	20	1	9	6	20	5	9	2	6,144	6	6
	KIMBALL INTERNATIONAL 492	477	7	21	3	30	4	15	2	6	2	10	1	15	5	11	5	22	4	27	1	7,444	5	11
	BASSETT FURNITURE 494	475	8	13	4	22	7	14	3	5	5	8	5	9	7	5	7	14	8	(10)	5	8,000	4	8
	TOTAL	6,159				403																80,557		
	MEDIAN	586		12		27		8		5		9		15		12		21		(7)		8,222		12
11	**INDUSTRIAL AND FARM EQUIPMENT** 34 COMPANIES																							
	CATERPILLAR 48	8,180	1	12	18	350	1	361	4	4	10	5	16	10	16	(4)	17	4	24	56	2	54,463	1	1
	DEERE 108	4,135	2	18	13	(99)		—		—		—		—		—		8	17	53	3	37,931	3	1
	AMERICAN STANDARD 123	3,439	3	3	25	127	3	(33)	22	4	11	5	14	15	9	2	13	13	12	(12)	23	39,300	2	1

BY INDUSTRY

INDUSTRY TABLE NUMBER	**COMPANY** 500 RANK	RANKED WITHIN INDUSTRY BY 11 MEASURES																						
		SALES				**PROFITS**				**PROFITS AS % OF**						**EARNINGS PER SHARE**		**TOTAL RETURN TO INVESTORS**				**EMPLOYEES**		
										Sales		Assets		Equity		1977-87 annual growth rate		1977-87 annual average		1987				
		$ Mil.	Rank	% change from 1986	Rank	$ Mil.	Rank	% change from 1986	Rank	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank	Number	Rank	% change from 1986
	DRESSER INDUSTRIES 138	3,120	4	(15)	33	49	13	409	3	2	22	2	22	3	23	(12)	19	5	22	37	8	30,800	4	(22)
	BRUNSWICK 140	3,086	5	80	1	169	2	53	11	5	4	9	4	20	6	23	1	28	2	(12)	23	28,400	6	6
	CUMMINS ENGINE 148	2,767	6	20	9	14	23	—		1	25	1	25	2	24	(24)	22	6	18	(27)	29	24,500	7	7
	INGERSOLL-RAND 153	2,648	7	(5)	29	118	4	25	16	4	9	5	15	10	17	(1)	14	10	16	64	1	29,556	5	(1)
	BLACK & DECKER 195	1,935	8	8	22	56	11	781	2	3	17	3	19	9	19	(3)	16	5	21	18	13	19,700	10	(9)
	BAKER HUGHES 197	1,924	9	24	8	(255)		—		—		—		—		—		4	23	18	14	21,191	8	42
	TRINOVA 216	1,682	10	16	16	75	6	(39)	23	4	8	6	12	12	13	3	10	19	7	37	8	20,763	9	7
	DOVER 225	1,586	11	10	20	112	5	33	15	7	3	10	1	17	7	12	5	22	6	43	5	17,592	11	6
	OUTBOARD MARINE 269	1,289	12	33	4	62	9	331	5	5	6	6	9	12	12	8	6	12	13	(17)	26	11,609	15	25
	CRANE 270	1,284	13	7	23	59	10	54	10	5	7	9	3	23	4	3	12	14	9	(1)	21	11,245	17	(2)
	TIMKEN 280	1,230	14	16	15	10	25	277	6	1	24	1	24	1	25	(19)	20	6	19	42	6	16,721	12	1
	FOSTER WHEELER 284	1,219	15	(3)	27	3	26	(89)	24	0	26	0	26	1	26	(20)	21	10	15	7	19	9,700	20	(14)
	AM INTERNATIONAL 293	1,163	16	69	2	12	24	119	8	1	23	1	23	5	22	—		(11)	29	(25)	28	11,968	14	(6)
	HARNISCHFEGER INDUSTRIES 314	1,049	17	26	7	23	16	1,649	1	2	21	2	21	7	20	(9)	18	3	26	30	10	11,400	16	14
	CLARK EQUIPMENT 315	1,048	18	10	21	(17)		—		—		—		—		—		1	28	22	12	8,341	25	(12)
	FIGGIE INTERNATIONAL 320	1,023	19	11	19	49	12	16	17	5	5	7	7	15	8	16	4	27	3	39	7	16,400	13	1
	YORK INTERNATIONAL 333	963	20	40	3	28	14	236	7	3	18	5	13	13	10	—		—		48	4	9,000	22	36
	TECUMSEH PRODUCTS 337	951	21	16	17	72	7	41	13	8	2	9	2	12	11	6	8	14	10	10	16	11,102	18	11
	CINCINNATI MILACRON 357	828	22	(3)	26	(80)		—		—		—		—		—		15	8	8	17	9,275	21	(3)
	PENTAIR 368	789	23	27	6	22	17	44	12	3	20	5	17	10	14	3	9	22	5	(17)	25	6,200	27	(16)
	BRIGGS & STRATTON 369	785	24	5	24	27	15	(22)	21	3	13	6	11	9	18	(2)	15	6	20	(20)	27	8,611	23	4
	FUQUA INDUSTRIES 373	772	25	(7)	30	63	8	59	9	8	1	8	5	20	5	21	2	33	1	27	11	11,000	19	—
	ROPER 389	714	26	16	14	20	18	37	14	3	19	8	6	25	2	19	3	24	4	(14)	24	4,750	31	13
	ALLIS-CHALMERS 394	699	27	(9)	32	(29)		—		—		—		—		—		(25)	30	(57)	30	8,560	24	(22)
	JOY TECHNOLOGIES 403	664	28	(4)	28	—		—		—		—		—		—		—		—		7,300	26	—
	HENLEY MANUFACTURING 423	605	29	(8)	31	19	19	—		3	15	3	20	5	21	—		—		—		3,700	33	—
	COLEMAN 428	598	30	19	10	19	20	11	19	3	16	5	18	10	15	3	11	13	11	8	18	5,811	28	7
	JEPSON 464	530	31	19	11	18	21	14	18	3	12	6	10	27	1	—		—		—		5,740	29	14
	TORO 469	521	32	28	5	17	22	10	20	3	14	7	8	24	3	8	7	11	14	6	20	2,764	34	15
	ALLIED PRODUCTS 482	497	33	18	12	(3)		—		—		—		—		—		4	25	(60)	31	5,200	30	15
	CAMERON IRON WORKS 489	485	34	(21)	34	(110)		—		—		—		—		—		1	27	13	15	4,578	32	(19)
	TOTAL	54,208				1,000																525,171		
	MEDIAN	1,049		14		38		42		3		5		11		3		10		10		11,174		1
12	**JEWELRY, SILVERWARE** 1 COMPANY																							
	JOSTENS 410	638	1	10	1	45	1	11	1	7	1	12	1	40	1	14	1	22	1	2	1	7,969	1	(12)
13	**LEATHER** N.A.																							
14	**METAL PRODUCTS** 19 COMPANIES																							
	TRIANGLE INDUSTRIES 98	4,336	1	63	4	52	12	304	4	1	17	1	17	12	14	—		35	1	6	14	24,000	3	4
	GILLETTE 135	3,167	2	12	11	230	1	1,355	1	7	4	8	5	38	1	4	12	23	7	18	6	30,100	2	(6)
	EMHART 164	2,455	3	17	6	107	2	—		4	14	5	13	13	13	4	14	17	14	35	3	30,306	1	(11)
	STANLEY WORKS 209	1,763	4	14	7	87	6	10	15	5	13	6	12	14	11	8	11	18	13	4	15	19,142	4	19
	CROWN CORK & SEAL 213	1,718	5	6	17	88	5	11	13	5	12	8	6	14	12	10	10	15	15	2	17	12,354	7	(0)
	ILLINOIS TOOL WORKS 214	1,698	6	77	3	106	3	33	10	6	7	8	9	17	7	14	3	23	6	29	4	13,600	6	(1)
	MASCO INDUSTRIES 236	1,470	7	106	1	44	13	372	2	3	15	2	16	11	16	—		—		(14)	18	15,000	5	13
	HARSCO 291	1,169	8	3	18	63	8	36	8	5	10	8	10	14	10	4	13	18	12	11	10	11,000	9	2
	TYCO LABORATORIES 297	1,116	9	40	5	27	17	(29)	17	2	16	5	14	11	15	12	6	33	2	13	9	10,581	10	2
	BALL 311	1,054	10	(2)	19	66	7	13	12	6	6	8	7	17	9	13	5	27	5	3	16	6,900	16	(23)
	HOUSEHOLD MFG. 321	1,020	11	12	12	58	9	—		6	8	8	8	18	6	—		—		—		10,000	11	(9)
	INTERLAKE 358	823	12	12	13	54	11	67	6	7	5	8	11	19	3	11	7	21	10	13	8	7,834	13	7
	SNAP-ON TOOLS 378	754	13	13	10	89	4	35	9	12	1	14	1	19	2	14	4	21	9	38	2	6,948	15	5
	HILLENBRAND INDUSTRIES 384	725	14	13	9	57	10	14	11	8	2	9	4	18	5	16	1	30	4	8	12	7,100	14	3
	NEWELL 386	720	15	79	2	37	15	55	7	5	11	4	15	10	17	11	8	22	8	7	13	12,000	8	143
	BUTLER MANUFACTURING 418	615	16	7	16	4	19	3	16	1	19	1	18	3	18	(13)	16	9	17	15	7	3,731	19	(1)
	PHILIPS INDUSTRIES 432	593	17	10	15	33	16	11	14	6	9	10	2	18	4	14	2	33	3	26	5	8,157	12	11
	STANADYNE 458	544	18	10	14	42	14	98	5	8	3	10	3	17	8	11	9	15	16	11	11	5,300	18	7
	TRINITY INDUSTRIES 485	491	19	13	8	4	18	360	3	1	18	1	19	2	19	(12)	15	20	11	60	1	6,000	17	11
	TOTAL	26,231				1,248																240,053		
	MEDIAN	1,054		13		57		35		5		8		14		11		21		12		10,581		3

THE FORTUNE 500

INDUSTRY TABLE NUMBER	COMPANY 500 RANK	RANKED WITHIN INDUSTRY BY 11 MEASURES																						
		SALES				**PROFITS**				**PROFITS AS % OF**						**EARNINGS PER SHARE**		**TOTAL RETURN TO INVESTORS**				**EMPLOYEES**		
		$ Mil.	Rank	% change from 1986	Rank	$ Mil.	Rank	% change from 1986	Rank	Sales %	Rank	Assets %	Rank	Equity %	Rank	1977-87 annual growth rate %	Rank	1977-87 annual average %	Rank	1987 %	Rank	Number	Rank	% change from 1986
15	**METALS** 24 COMPANIES																							
	ALUMINUM CO. OF AMERICA 51	7,767	1	66	3	200	6	(21)	12	3	14	2	14	5	13	(2)	8	12	9	41	12	55,000	1	54
	LTV 56	7,582	2	4	15	503	1	—		7	4	9	6	—		—		(8)	19	54	10	48,200	2	(0)
	BETHLEHEM STEEL 89	4,621	3	7	13	174	7	—		4	13	4	13	14	7	—		2	14	168	2	34,400	3	(8)
	REYNOLDS METALS 101	4,284	4	18	7	220	4	14	9	5	9	5	11	14	9	7	5	17	6	142	3	27,300	4	5
	INLAND STEEL INDUSTRIES 122	3,453	5	5	14	145	8	653	2	4	11	5	10	10	11	(0)	7	2	13	61	9	20,740	5	(9)
	AMAX 124	3,434	6	138	1	51	11	258	4	1	16	1	17	4	14	(7)	11	1	16	65	8	19,856	7	(8)
	ARMCO 143	2,927	7	(5)	18	118	9	—		4	12	4	12	16	5	(6)	10	(2)	17	120	5	20,600	6	(1)
	KAISERTECH 176	2,227	8	(0)	17	(362)		—		—		—		—		—		1	15	(20)	20	12,500	9	(5)
	PHELPS DODGE 221	1,612	9	91	2	206	5	235	5	13	3	9	5	15	6	24	2	10	10	127	4	8,680	10	(1)
	PENN CENTRAL 242	1,421	10	(40)	24	36	15	(77)	14	3	15	1	16	2	16	—		—		(12)	17	15,700	8	(48)
	ASARCO 255	1,355	11	28	4	279	3	2,956	1	21	2	13	2	23	2	—		9	11	92	6	7,570	13	8
	WEIRTON STEEL 260	1,329	12	13	8	81	10	79	7	6	5	12	3	38	1	—		—		—		8,100	12	(4)
	CYCLOPS INDUSTRIES 303	1,098	13	(24)	22	(17)		—		—		—		—		—		—		—		5,464	17	(41)
	WHEELING-PITTSBURGH 326	1,001	14	7	12	(66)		—		—		—		—		—		(3)	18	(13)	18	6,519	14	(6)
	ALLEGHENY LUDLUM 350	867	15	18	6	46	13	54	8	5	7	7	8	22	3	—		—		—		5,400	19	(4)
	NUCOR 352	851	16	13	9	51	12	9	10	6	6	8	7	12	10	14	3	27	1	31	14	4,600	20	5
	AMSTED INDUSTRIES 359	823	17	2	16	(19)		—		—		—		—		—		—		—		8,300	11	—
	WORTHINGTON INDUSTRIES 362	819	18	9	11	42	14	0	11	5	8	9	4	16	4	11	4	19	3	4	16	5,800	16	2
	HANDY & HARMAN 422	608	19	9	10	8	17	—		1	17	2	15	7	12	(4)	9	14	7	(18)	19	6,243	15	9
	TEXAS INDUSTRIES 433	589	20	(9)	21	1	20	(94)	15	0	20	0	20	1	18	—		18	4	39	13	3,360	23	(12)
	NEWMONT MINING 450	559	21	(33)	23	341	2	359	3	61	1	17	1	—		57	1	24	2	87	7	2,650	24	(60)
	ROBERTSON (H.H.) 451	556	22	(5)	19	3	19	—		0	19	1	18	2	15	(13)	12	5	12	23	15	5,401	18	(16)
	LUKENS 478	503	23	24	5	22	16	147	6	4	10	7	9	14	8	5	6	18	5	236	1	3,552	22	6
	CARPENTER TECHNOLOGY 490	481	24	(7)	20	4	18	(42)	13	1	18	1	19	1	17	(17)	13	12	8	47	11	3,782	21	(14)
	TOTAL	50,765				2,065																339,717		
	MEDIAN	1,213		7		66		54		4		5		13		(0)		10		51		7,835		(4)
16	**MINING, CRUDE-OIL PRODUCTION** 13 COMPANIES																							
	KOPPERS 224	1,591	1	(6)	11	11	10	(86)	8	1	11	1	10	3	10	(1)	4	9	5	10	8	10,753	1	(2)
	FREEPORT-MCMORAN 230	1,514	2	140	1	249	1	868	1	16	2	8	3	34	2	26	1	24	1	49	2	6,434	3	43
	UNION TEXAS 274	1,257	3	0	8	56	5	—		4	5	3	5	42	1	—		—		—		1,745	12	(1)
	INSPIRATION RESOURCES 275	1,243	4	13	4	25	8	(35)	6	2	9	3	6	7	6	—		—		42	4	5,000	6	1
	MAXUS ENERGY 285	1,217	5	(60)	13	(540)		—		—		—		—		—		(5)	8	(27)	12	2,158	9	(66)
	VULCAN MATERIALS 310	1,063	6	11	5	116	3	25	3	11	3	13	2	20	4	12	2	24	2	8	9	5,999	4	(5)
	LOUISIANA LAND & EXP. 361	819	7	0	9	25	7	—		3	7	2	9	4	7	(11)	6	11	4	29	6	835	13	(0)
	CYPRUS MINERALS 367	795	8	(2)	10	26	6	24	4	3	6	2	7	3	9	—		—		49	3	5,268	5	3
	NERCO 411	632	9	6	6	60	4	5	5	10	4	6	4	17	5	—		—		20	7	2,231	8	4
	WESTMORELAND COAL 417	617	10	3	7	(43)		—		—		—		—		—		(6)	9	(7)	10	1,902	11	(9)
	MITCHELL ENERGY 434	588	11	(30)	12	8	11	(83)	7	1	10	0	11	1	11	(11)	5	7	6	(7)	11	2,300	7	(23)
	HOMESTAKE MINING 471	516	12	66	2	146	2	549	2	28	1	16	1	21	3	3	3	13	3	40	5	1,992	10	(2)
	CLEVELAND-CLIFFS 496	467	13	58	3	13	9	—		3	8	2	8	3	8	(12)	7	(2)	7	57	1	8,328	2	(6)
	TOTAL	12,321				152																54,945		
	MEDIAN	819		3		26		14		3		3		7		(1)		9		25		2,300		(2)
17	**MOTOR VEHICLES AND PARTS** 17 COMPANIES																							
	GENERAL MOTORS 1	101,782	1	(1)	17	3,551	2	21	8	3	7	4	11	11	10	(1)	10	7	12	(1)	8	813,400	1	(7)
	FORD MOTOR 3	71,643	2	14	8	4,625	1	41	6	6	1	10	1	25	2	11	2	20	3	39	1	350,320	2	(8)
	CHRYSLER 10	26,258	3	17	6	1,290	3	(8)	13	5	3	6	4	20	3	17	1	17	6	(8)	9	122,745	3	7
	DANA 107	4,142	4	12	10	144	4	68	4	3	8	5	8	16	6	3	8	13	8	1	7	37,500	4	1
	NAVISTAR INTERNATIONAL 120	3,530	5	5	13	33	10	1,821	1	1	15	2	15	5	15	(42)	13	(16)	13	(11)	10	14,918	7	(1)
	FRUEHAUF 147	2,785	6	4	15	(41)		—		—		—		—		—		—		(44)	17	15,936	6	(39)
	PACCAR 166	2,424	7	35	4	112	5	107	3	5	4	9	2	14	7	4	5	23	1	25	4	10,599	11	31
	MACK TRUCKS 205	1,858	8	9	11	4	16	—		0	16	0	16	1	16	—		—		9	6	9,483	12	(13)
	ARVIN INDUSTRIES 252	1,373	9	38	3	48	6	15	9	3	9	6	5	11	9	1	9	14	7	(29)	13	16,529	5	(7)
	ECHLIN 299	1,100	10	22	5	46	7	(7)	12	4	5	5	7	8	13	5	4	11	9	(26)	12	13,500	9	24
	FEDERAL-MOGUL 309	1,075	11	14	9	41	8	1,041	2	4	6	5	9	12	8	4	7	18	5	(13)	11	14,393	8	3
	SMITH (A.O.) 327	999	12	4	16	18	14	(36)	15	2	14	3	13	6	14	(4)	12	8	10	(31)	15	11,100	10	(4)
	DANAHER 365	803	13	53	2	19	12	23	7	2	13	3	12	18	5	(4)	11	21	2	37	2	7,950	16	14
	SEALED POWER 372	774	14	16	7	26	11	(8)	14	3	10	5	10	9	12	6	3	18	4	18	5	7,594	17	8

BY INDUSTRY

RANKED WITHIN INDUSTRY BY 11 MEASURES

INDUSTRY TABLE NUMBER	COMPANY 500 RANK	SALES				PROFITS				PROFITS AS % OF						EARNINGS PER SHARE		TOTAL RETURN TO INVESTORS				EMPLOYEES		
		$ Mil.	Rank	% change from 1986	Rank	$ Mil.	Rank	% change from 1986	Rank	Sales %	Rank	Assets %	Rank	Equity %	Rank	1977-87 annual growth rate %	Rank	1977-87 annual average %	Rank	1987 %	Rank	Number	Rank	% change from 1986
	EAGLE-PICHER INDUSTRIES 399	677	15	4	14	40	9	3	11	6	2	8	3	19	4	4	6	7	11	(30)	14	8,300	14	5
	PULLMAN 413	629	16	8	12	18	15	9	10	3	12	2	14	10	11	—		—		(37)	16	8,983	13	63
	HARVARD INDUSTRIES 449	559	17	78	1	19	13	55	5	3	11	6	6	28	1	—		—		36	3	8,100	15	69
	TOTAL	222,409				9,993																1,471,350		
	MEDIAN	1,373		14		41		21		3		5		12		4		14		(8)		13,500		3
18	**PETROLEUM REFINING** 31 COMPANIES																							
	EXXON 2	76,416	1	9	14	4,840	1	(10)	12	6	4	7	4	14	5	10	1	21	3	14	6	100,000	3	(2)
	MOBIL 5	51,223	2	14	7	1,258	3	(11)	13	2	16	3	12	7	15	3	9	17	7	2	16	120,600	1	(5)
	TEXACO 7	34,372	3	9	15	(4,407)		—		—		—		—		—		11	14	6	14	50,164	6	(3)
	CHEVRON 11	26,015	4	7	16	1,007	6	41	6	4	10	3	13	6	18	(0)	13	14	11	(8)	19	51,697	5	1
	SHELL OIL 13	20,852	5	24	4	1,230	4	39	7	6	5	5	8	8	14	—		—		—		33,184	10	2
	AMOCO 14	20,174	6	10	12	1,360	2	82	3	7	3	5	6	11	10	4	6	17	6	10	10	46,774	7	(0)
	ATLANTIC RICHFIELD 18	16,281	7	12	10	1,224	5	99	2	8	1	5	7	21	3	9	2	16	8	21	5	25,800	11	(3)
	TENNECO 21	15,075	8	4	18	(218)		—		—		—		—		—		10	16	11	8	104,000	2	3
	BP AMERICA 22	14,611	9	58	1	564	7	—		4	11	2	16	10	13	—		—		—		44,887	8	13
	USX 23	13,898	10	(1)	23	219	10	—		2	20	1	22	4	20	(11)	17	5	23	44	1	53,522	4	(16)
	PHILLIPS PETROLEUM 32	10,721	11	10	13	35	20	(85)	16	0	23	0	23	2	23	(25)	20	10	17	24	4	22,500	13	3
	SUN 43	8,691	12	(7)	29	348	8	(10)	11	4	9	3	14	7	17	(1)	14	15	10	(0)	17	22,611	12	(4)
	UNOCAL 46	8,466	13	13	8	181	11	3	8	2	17	2	17	10	12	(2)	15	12	13	9	11	18,130	14	1
	COASTAL 57	7,414	14	11	11	113	13	58	4	2	21	1	18	13	6	3	8	22	1	13	7	17,800	15	8
	ASHLAND OIL 60	6,871	15	(2)	24	133	12	(36)	14	2	19	3	11	13	7	1	12	17	5	6	15	41,800	9	22
	AMERADA HESS 87	4,785	16	19	5	230	9	—		5	6	4	10	11	11	2	10	10	15	7	13	7,900	17	2
	AGWAY 132	3,265	17	(7)	28	—		—		—		—		—		—		—		—		17,441	16	2
	KERR-MCGEE 156	2,608	18	3	20	81	16	—		3	13	3	15	6	19	(3)	16	8	19	33	3	7,670	19	4
	FARMLAND INDUSTRIES 158	2,580	19	(4)	25	—		—		—		—		—		—		—		—		5,600	22	(15)
	AMERICAN PETROFINA 161	2,484	20	27	3	83	15	—		3	12	5	9	11	9	6	4	12	12	36	2	3,369	26	0
	PENNZOIL 206	1,786	21	0	22	44	19	(3)	9	2	15	1	19	7	16	(11)	19	22	2	9	12	6,200	21	(1)
	MAPCO 227	1,581	22	1	21	108	14	46	5	7	2	8	2	21	2	5	5	6	22	(17)	22	4,907	24	(4)
	MURPHY OIL 235	1,474	23	12	9	(44)		—		—		—		—		—		9	18	(5)	18	4,636	25	16
	WITCO 240	1,428	24	5	17	63	17	(3)	10	4	8	6	5	12	8	8	3	21	4	(11)	20	7,760	18	(3)
	TOSCO 290	1,187	25	52	2	53	18	201	1	4	7	9	1	26	1	2	11	(10)	24	(13)	21	860	30	(4)
	FARMERS UNION CENTRAL 295	1,138	26	(7)	27	—		—		—		—		—		—		—		—		2,887	27	4
	CROWN CENTRAL 305	1,087	27	3	19	32	21	—		3	14	8	3	19	4	4	7	7	21	11	9	5,300	23	(7)
	PACIFIC RESOURCES 338	950	28	17	6	6	23	(78)	15	1	22	1	21	3	21	(11)	18	15	9	(31)	24	902	29	3
	QUAKER STATE 353	848	29	(6)	26	(48)		—		—		—		—		—		8	20	(37)	25	6,352	20	0
	VALERO ENERGY 414	629	30	(67)	31	13	22	—		2	18	1	20	3	22	—		—		(27)	23	1,988	28	(4)
	NATIONAL COOP. REFINERY 448	561	31	(22)	30	—		—		—		—		—		—		—		—		560	31	(2)
	TOTAL	359,471				8,510																837,801		
	MEDIAN	4,785		7		133		0		3		3		10		2		12		7		17,441		0
19	**PHARMACEUTICALS** 17 COMPANIES																							
	JOHNSON & JOHNSON 50	8,012	1	14	6	833	3	153	1	10	12	13	8	24	7	13	6	14	15	16	8	78,200	1	1
	BAXTER TRAVENOL LABS. 66	6,223	2	10	11	331	10	(25)	15	5	16	4	15	9	15	7	13	11	16	20	6	61,600	2	—
	BRISTOL-MYERS 76	5,401	3	12	9	710	4	20	5	13	9	15	4	22	9	14	4	21	6	4	13	34,100	7	(2)
	MERCK 80	5,061	4	23	2	906	1	34	3	18	1	16	3	43	1	13	5	23	3	30	3	31,100	9	1
	AMERICAN HOME PRODUCTS 82	5,028	5	2	16	845	2	9	11	17	2	18	2	33	4	11	9	16	12	(1)	15	44,223	3	2
	PFIZER 83	4,920	6	10	13	690	5	5	12	14	7	10	12	18	13	13	7	17	10	(21)	17	40,700	4	2
	ABBOTT LABORATORIES 97	4,388	7	15	5	633	7	17	7	14	6	14	5	30	6	19	3	24	2	8	10	37,828	5	6
	SMITHKLINE BECKMAN 100	4,329	8	16	4	570	8	9	10	13	8	13	7	36	2	20	2	19	9	5	12	36,323	6	8
	LILLY (ELI) 111	4,049	9	9	14	644	6	15	8	16	5	12	9	21	11	11	10	20	7	7	11	25,700	10	(12)
	WARNER-LAMBERT 121	3,485	10	12	8	296	13	(4)	13	8	14	12	10	34	3	6	15	15	13	18	7	33,501	8	7
	SCHERING-PLOUGH 149	2,699	11	13	7	316	11	19	6	12	11	10	13	22	10	6	14	17	11	22	5	21,700	11	(8)
	UPJOHN 160	2,521	12	11	10	305	12	21	4	12	10	10	11	18	12	12	8	21	5	(2)	16	20,550	12	(0)
	STERLING DRUG 174	2,301	13	16	3	197	14	15	9	9	13	—		—		9	12	19	8	22	4	—		—
	SQUIBB 182	2,157	14	(15)	17	358	9	(10)	14	17	3	13	6	23	8	11	11	22	4	12	9	16,810	13	(1)
	RORER GROUP 343	929	15	10	12	54	16	(57)	16	6	15	4	14	13	14	4	16	15	14	(1)	14	7,400	14	(2)
	ROBINS (A.H.) 351	856	16	8	15	(1,632)		—		—		—		—		—		10	17	160	1	6,400	15	—
	MARION LABORATORIES 430	597	17	50	1	97	15	76	2	16	4	21	1	32	5	23	1	42	1	31	2	3,043	16	19
	TOTAL	62,956				6,153																499,178		
	MEDIAN	4,049		12		464		15		13		13		23		12		19		12		32,301		1

THE FORTUNE 500

INDUSTRY TABLE NUMBER	COMPANY 500 RANK	RANKED WITHIN INDUSTRY BY 11 MEASURES																						
		SALES				**PROFITS**				**PROFITS AS % OF**						**EARNINGS PER SHARE**		**TOTAL RETURN TO INVESTORS**				**EMPLOYEES**		
										Sales		Assets		Equity		1977-87 annual growth rate		1977-87 annual average		1987				
		$ Mil.	Rank	% change from 1986	Rank	$ Mil.	Rank	% change from 1986	Rank	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank	Number	Rank	% change from 1986
20	**PUBLISHING, PRINTING** 22 COMPANIES																							
	TIME INC. 104	**4,193**	1	**11**	9	**250**	3	**(34)**	19	**6**	18	**6**	17	**20**	7	**7**	18	**20**	15	**19**	7	**20,000**	5	**(7)**
	TIMES MIRROR 136	**3,155**	2	**8**	18	**266**	2	**(35)**	20	**8**	10	**9**	11	**18**	13	**12**	14	**23**	11	**15**	8	**27,915**	2	**(0)**
	GANNETT 141	**3,079**	3	**10**	12	**319**	1	**16**	11	**10**	5	**9**	10	**20**	9	**13**	10	**20**	16	**9**	10	**36,000**	1	**—**
	DONNELLEY (R.R.) & SONS 162	**2,483**	4	**11**	10	**218**	4	**38**	5	**9**	9	**10**	4	**19**	12	**16**	8	**22**	12	**9**	11	**22,000**	4	**7**
	TRIBUNE 181	**2,160**	5	**6**	20	**142**	12	**(52)**	21	**7**	15	**5**	20	**13**	16	**—**		**—**		**46**	4	**14,000**	8	**—**
	KNIGHT-RIDDER 188	**2,073**	6	**8**	16	**155**	10	**11**	13	**7**	12	**8**	13	**17**	14	**11**	16	**18**	17	**(13)**	16	**24,000**	3	**—**
	MCGRAW-HILL 211	**1,751**	7	**11**	11	**165**	8	**7**	15	**9**	8	**10**	7	**20**	8	**12**	13	**22**	13	**(9)**	14	**15,892**	6	**4**
	NEW YORK TIMES 215	**1,690**	8	**8**	19	**160**	9	**21**	9	**9**	7	**9**	9	**19**	10	**18**	6	**29**	4	**(12)**	15	**10,500**	10	**5**
	WASHINGTON POST 263	**1,315**	9	**8**	17	**187**	7	**86**	4	**14**	4	**16**	3	**30**	2	**21**	3	**28**	6	**21**	6	**6,400**	17	**—**
	DOW JONES 264	**1,314**	10	**16**	6	**203**	5	**11**	14	**15**	3	**10**	5	**24**	5	**18**	7	**21**	14	**(22)**	17	**9,014**	13	**28**
	HARCOURT BRACE 268	**1,291**	11	**33**	2	**91**	13	**28**	6	**7**	14	**4**	21	**—**		**7**	19	**12**	18	**(53)**	21	**13,000**	9	**(7)**
	AMERICAN GREETINGS 298	**1,103**	12	**9**	15	**63**	15	**(15)**	17	**6**	19	**6**	15	**12**	18	**13**	12	**11**	19	**(45)**	19	**22,000**	4	**10**
	MACMILLAN 336	**956**	13	**17**	5	**71**	14	**19**	10	**7**	13	**8**	14	**21**	6	**15**	9	**31**	3	**38**	5	**9,400**	12	**9**
	DELUXE CHECK PRINTERS 339	**948**	14	**9**	13	**149**	11	**23**	8	**16**	2	**17**	2	**30**	3	**20**	4	**26**	8	**(29)**	18	**15,346**	7	**14**
	BELL & HOWELL 383	**727**	15	**(15)**	22	**61**	16	**87**	3	**8**	11	**8**	12	**19**	11	**11**	15	**23**	10	**63**	3	**8,946**	14	**(24)**
	MEDIA GENERAL 388	**715**	16	**13**	7	**43**	18	**151**	2	**6**	17	**5**	19	**12**	17	**13**	11	**28**	5	**72**	1	**8,300**	15	**19**
	STANDARD REGISTER 405	**660**	17	**18**	3	**41**	19	**24**	7	**6**	16	**10**	8	**15**	15	**28**	2	**32**	2	**13**	9	**6,284**	18	**(6)**
	MEREDITH 427	**599**	18	**12**	8	**34**	20	**(28)**	18	**6**	20	**6**	16	**10**	20	**10**	17	**23**	9	**(7)**	13	**3,156**	20	**(5)**
	REYNOLDS & REYNOLDS 447	**563**	19	**39**	1	**21**	21	**(11)**	16	**4**	21	**6**	18	**11**	19	**6**	20	**9**	20	**(49)**	20	**5,704**	19	**5**
	HARTE-HANKS COMMUN. 452	**556**	20	**(4)**	21	**(33)**		**—**		**—**		**—**		**—**		**—**		**—**		**—**		**9,488**	11	**(3)**
	COMM. CLEARING HOUSE 457	**551**	21	**9**	14	**53**	17	**11**	12	**10**	6	**10**	6	**28**	4	**18**	5	**27**	7	**3**	12	**6,605**	16	**5**
	AFFILIATED PUBLICATIONS 486	**490**	22	**18**	4	**201**	6	**204**	1	**41**	1	**38**	1	**62**	1	**39**	1	**45**	1	**64**	2	**2,934**	21	**13**
	TOTAL	**32,372**				**2,860**																**296,884**		
	MEDIAN	**1,197**		**10**		**149**		**16**		**8**		**9**		**19**		**13**		**23**		**9**		**9,488**		**5**
21	**RUBBER PRODUCTS** 11 COMPANIES																							
	GOODYEAR TIRE & RUBBER 35	**10,123**	1	**(2)**	11	**771**	1	**521**	1	**8**	4	**9**	4	**42**	1	**16**	3	**20**	6	**47**	2	**114,658**	1	**(6)**
	FIRESTONE TIRE & RUBBER 112	**3,867**	2	**4**	9	**145**	3	**71**	4	**4**	7	**5**	8	**12**	6	**8**	7	**12**	9	**16**	5	**53,500**	2	**(3)**
	GENCORP 139	**3,101**	3	**0**	10	**475**	2	**265**	2	**15**	1	**43**	1	**—**		**21**	1	**19**	7	**(8)**	9	**14,100**	5	**(47)**
	PREMARK INTERNATIONAL 178	**2,197**	4	**12**	7	**72**	5	**—**		**3**	9	**5**	9	**11**	7	**—**		**—**		**15**	6	**22,800**	3	**4**
	KNOLL INT'L HOLDINGS 191	**2,037**	5	**78**	1	**(16)**		**—**		**—**		**—**		**—**		**—**		**—**		**—**		**19,000**	4	**—**
	ARMTEK 288	**1,198**	6	**50**	3	**20**	9	**—**		**2**	10	**3**	10	**10**	8	**0**	8	**16**	8	**28**	3	**11,130**	6	**48**
	RUBBERMAID 323	**1,015**	7	**28**	4	**85**	4	**21**	6	**8**	2	**12**	3	**19**	4	**15**	4	**26**	4	**4**	7	**6,928**	7	**14**
	COOPER TIRE & RUBBER 402	**666**	8	**15**	6	**31**	8	**33**	5	**5**	6	**7**	6	**14**	5	**12**	5	**29**	1	**18**	4	**5,720**	9	**6**
	CARLISLE 460	**543**	9	**16**	5	**19**	10	**(4)**	8	**3**	8	**6**	7	**10**	9	**8**	6	**22**	5	**0**	8	**4,826**	10	**(2)**
	ENVIRODYNE INDUSTRIES 493	**476**	10	**50**	2	**39**	6	**123**	3	**8**	3	**9**	5	**30**	2	**—**		**27**	3	**49**	1	**4,604**	11	**2**
	STANDARD PRODUCTS 497	**465**	11	**7**	8	**32**	7	**16**	7	**7**	5	**14**	2	**25**	3	**17**	2	**28**	2	**(24)**	10	**5,750**	8	**1**
	TOTAL	**25,688**				**1,671**																**263,016**		
	MEDIAN	**1,198**		**15**		**55**		**52**		**6**		**8**		**14**		**14**		**22**		**16**		**11,130**		**2**
22	**SCIENTIFIC AND PHOTOGRAPHIC EQUIPMENT** 17 COMPANIES																							
	EASTMAN KODAK 25	**13,305**	1	**15**	6	**1,178**	1	**215**	2	**9**	7	**8**	7	**20**	4	**7**	9	**13**	8	**10**	6	**124,400**	1	**2**
	XEROX 34	**10,320**	2	**10**	9	**578**	3	**24**	5	**6**	11	**5**	12	**11**	11	**1**	12	**8**	13	**(2)**	9	**99,032**	2	**(1)**
	MINNESOTA MINING & MFG. 37	**9,429**	3	**10**	10	**918**	2	**18**	10	**10**	3	**11**	3	**18**	6	**8**	8	**15**	6	**14**	4	**82,405**	3	**1**
	POLAROID 208	**1,764**	4	**8**	12	**116**	5	**12**	13	**7**	10	**7**	10	**11**	12	**3**	10	**9**	11	**(28)**	15	**13,662**	9	**(7)**
	GENERAL SIGNAL 222	**1,603**	5	**1**	16	**69**	8	**(7)**	14	**4**	13	**5**	13	**8**	14	**0**	13	**9**	12	**10**	7	**19,126**	6	**(5)**
	BECTON DICKINSON 226	**1,582**	6	**21**	2	**148**	4	**22**	9	**9**	5	**8**	8	**17**	7	**11**	5	**15**	7	**3**	8	**19,900**	5	**3**
	TEKTRONIX 249	**1,396**	7	**3**	15	**51**	12	**30**	4	**4**	14	**4**	14	**6**	15	**1**	11	**4**	14	**(26)**	14	**17,099**	7	**(11)**
	PERKIN ELMER 259	**1,334**	8	**3**	14	**(18)**		**—**		**—**		**—**		**—**		**—**		**11**	10	**(4)**	12	**14,119**	8	**(3)**
	EG&G 277	**1,236**	9	**8**	13	**55**	10	**24**	6	**4**	12	**11**	4	**26**	1	**17**	3	**24**	3	**20**	3	**23,000**	4	**—**
	FISHER SCIENTIFIC GROUP 345	**908**	10	**14**	7	**31**	15	**—**		**3**	15	**6**	11	**10**	13	**—**		**—**		**—**		**6,654**	15	**(2)**
	BAUSCH & LOMB 355	**840**	11	**20**	3	**85**	6	**14**	11	**10**	2	**9**	6	**15**	9	**10**	6	**16**	5	**(10)**	13	**8,300**	11	**4**
	BARD (C.R.) 408	**641**	12	**17**	5	**62**	9	**22**	8	**10**	4	**13**	2	**21**	2	**19**	1	**24**	2	**(4)**	11	**7,600**	12	**6**
	COOPER COS. 415	**627**	13	**12**	8	**52**	11	**478**	1	**8**	8	**4**	15	**20**	3	**—**		**—**		**(50)**	16	**9,400**	10	**64**
	AMETEK 416	**620**	14	**9**	11	**41**	14	**13**	12	**7**	9	**8**	9	**16**	8	**9**	7	**18**	4	**12**	5	**6,952**	14	**11**
	MILLIPORE 465	**529**	15	**19**	4	**48**	13	**22**	7	**9**	6	**10**	5	**14**	10	**12**	4	**13**	9	**20**	2	**5,202**	16	**7**
	FOXBORO 477	**504**	16	**(7)**	17	**(97)**		**—**		**—**		**—**		**—**		**—**		**3**	15	**(3)**	10	**7,050**	13	**(10)**

RANKED WITHIN INDUSTRY BY 11 MEASURES

INDUSTRY TABLE NUMBER	COMPANY 500 RANK	SALES				PROFITS				PROFITS AS % OF						EARNINGS PER SHARE		TOTAL RETURN TO INVESTORS				EMPLOYEES		
		$ Mil.	Rank	% change from 1986	Rank	$ Mil.	Rank	% change from 1986	Rank	Sales %	Rank	Assets %	Rank	Equity %	Rank	1977-87 annual growth rate %	Rank	1977-87 annual average %	Rank	1987 %	Rank	Number	Rank	% change from 1986
	MEDTRONIC 479	502	17	21	1	74	7	38	3	15	1	13	1	19	5	18	2	28	1	23	1	4,952	17	2
	TOTAL	47,141				3,392																468,853		
	MEDIAN	1,236		10		69		22		8		8		16		9		13		1		13,662		1
23	**SOAPS, COSMETICS** 12 COMPANIES																							
	PROCTER & GAMBLE 17	17,000	1	10	10	327	1	(54)	9	2	9	2	9	5	9	(4)	7	12	6	15	2	73,200	1	(2)
	COLGATE-PALMOLIVE 73	5,647	2	13	8	54	6	(70)	10	1	10	2	10	6	8	(9)	8	12	4	(1)	8	37,400	2	(1)
	AVON PRODUCTS 129	3,293	3	14	7	159	2	0	7	5	7	6	7	21	2	(4)	6	1	8	2	7	34,500	3	(2)
	LEVER BROTHERS 145	2,856	4	15	5	7	11	—		0	11	1	11	4	10	—		—		—		6,069	6	16
	REVLON GROUP 167	2,398	5	49	1	—		—		—		—		—		—		—		—		—		—
	CLOROX 296	1,126	6	3	11	105	4	10	6	9	2	11	3	17	5	11	3	21	3	12	3	4,500	8	(12)
	CHESEBROUGH-POND'S 304	1,087	7	(60)	12	76	5	(52)	8	7	4	10	4	—		—		—		—		4,371	9	(81)
	ECOLAB 331	989	8	22	2	52	7	20	4	5	5	5	8	18	4	8	5	12	5	4	5	13,104	4	79
	INT'L FLAVORS 381	746	9	20	3	107	3	25	3	14	1	12	2	16	6	9	4	11	7	22	1	4,119	10	8
	FABERGE 467	524	10	14	6	26	9	55	2	5	6	7	5	23	1	—		—		—		6,600	5	(4)
	ALBERTO CULVER 472	514	11	17	4	18	10	110	1	4	8	7	6	14	7	22	1	26	2	8	4	4,600	7	10
	NOXELL 487	489	12	12	9	44	8	17	5	9	3	15	1	20	3	17	2	29	1	3	6	2,069	11	27
	TOTAL	36,672				975																190,532		
	MEDIAN	1,107		14		54		14		5		7		17		8		12		6		6,069		(1)
24	**TEXTILES** 12 COMPANIES																							
	BURLINGTON HOLDINGS 130	3,279	1	18	6	—		—		—		—		—		—		—		—		44,000	1	2
	ARMSTRONG WORLD IND. 169	2,365	2	23	5	150	1	23	5	6	2	9	2	16	3	15	4	20	5	11	4	24,121	3	11
	WEST POINT-PEPPERELL 189	2,067	3	14	7	72	2	31	3	3	7	5	8	9	9	5	7	18	6	4	5	31,600	2	(2)
	SPRINGS INDUSTRIES 217	1,661	4	10	8	56	4	71	2	3	8	5	7	11	8	13	6	22	4	25	2	23,100	6	(2)
	STEVENS (J.P.) 220	1,615	5	(3)	11	56	3	4	8	3	6	6	6	11	7	3	9	16	8	(21)	8	23,400	5	3
	FIELDCREST CANNON 247	1,400	6	29	3	(4)		—		—		—		—		—		6	9	(56)	10	23,411	4	1
	DWG 286	1,214	7	4	10	18	9	—		2	9	2	9	15	4	5	8	17	7	167	1	17,170	7	8
	UNITED MERCHANTS & MFRS. 375	762	8	(5)	12	(15)		—		—		—		—		—		—		(69)	11	9,000	10	(9)
	SHAW INDUSTRIES 395	694	9	26	4	29	6	18	6	4	5	8	3	19	1	15	3	24	3	(18)	7	6,546	11	19
	DIXIE YARNS 438	581	10	93	1	26	7	96	1	5	3	7	4	13	5	14	5	—		(6)	6	9,800	9	—
	GUILFORD MILLS 461	539	11	30	2	24	8	26	4	4	4	6	5	13	6	21	1	34	1	16	3	3,761	12	12
	RUSSELL 491	480	12	10	9	46	5	7	7	10	1	10	1	17	2	16	2	26	2	(27)	9	10,100	8	1
	TOTAL	16,657				458																226,009		
	MEDIAN	1,307		16		46		24		4		6		13		14		20		(6)		20,135		2
25	**TOBACCO** 5 COMPANIES																							
	PHILIP MORRIS 12	22,279	1	8	4	1,842	1	25	3	8	2	10	2	27	2	19	1	23	3	23	2	113,000	2	2
	RJR NABISCO 19	15,868	2	(7)	5	1,209	2	14	5	8	4	7	3	20	3	10	5	21	4	(6)	5	120,334	1	(3)
	AMERICAN BRANDS 65	6,323	3	20	2	523	3	43	1	8	3	7	4	18	4	12	3	23	2	10	4	43,248	3	(46)
	UNIVERSAL 184	2,104	4	56	1	56	5	19	4	3	5	6	5	17	5	12	4	20	5	19	3	14,000	4	—
	UST 445	564	5	10	3	131	4	26	2	23	1	24	1	33	1	17	2	24	1	27	1	3,323	5	(4)
	TOTAL	47,139				3,761																293,905		
	MEDIAN	6,323		10		523		25		8		7		20		12		23		19		43,248		(4)
26	**TOYS, SPORTING GOODS** 3 COMPANIES																							
	HASBRO 262	1,326	1	(0)	2	48	1	(51)	1	4	1	4	1	8	1	30	1	46	1	(32)	2	8,300	2	12
	MATTEL 322	1,020	2	(4)	3	(113)		—		—		—		—		—		(0)	3	(17)	1	12,700	1	(33)
	COLECO INDUSTRIES 476	504	3	1	1	(105)		—		—		—		—		—		3	2	(54)	3	2,900	3	(24)
	TOTAL	2,851				(170)																23,900		
27	**TRANSPORTATION EQUIPMENT** 4 COMPANIES																							
	FLEETWOOD ENTERPRISES 273	1,259	1	3	2	40	1	1	2	3	1	8	1	13	2	10	1	15	2	(30)	3	10,000	1	—
	MINSTAR 348	877	2	(24)	4	(3)		—		—		—		—		—		22	1	(1)	2	7,500	2	(25)
	INTERNATIONAL CONTROLS 377	760	3	(16)	3	—		—		—		—		—		—		—		—		—		—
	HARLEY-DAVIDSON 398	685	4	132	1	21	2	336	1	3	2	6	2	34	1	—		—		24	1	4,300	3	95
	TOTAL	3,582				58																21,800		
	MEDIAN	819		(6)		30				3		7		23		10		18		(1)		7,500		35

THE [illegible]ORTUN[illegible] 500

INDUSTRY MEDIANS

RETURN ON SALES

	1987	1986
PHARMACEUTICALS	13.2%	13.1%
PUBLISHING, PRINTING	8.4	8.5
SCIENTIFIC & PHOTOGRAPHIC EQUIP.	8.3	4.7
TOBACCO	8.3	7.0
COMPUTERS (INCL. OFFICE EQUIP.)	8.2	5.5
BEVERAGES	7.0	7.7
BUILDING MATERIALS	6.8	3.6
FOREST PRODUCTS	6.5	4.9
CHEMICALS	6.0	5.2
RUBBER PRODUCTS	5.7	2.3
METAL PRODUCTS	5.4	4.4
FURNITURE	5.2	5.8
ELECTRONICS	5.0	3.4
SOAPS, COSMETICS	4.9	5.4
METALS	4.3	1.5
TEXTILES	4.1	3.0
APPAREL	3.9	3.3
AEROSPACE	3.7	4.1
FOOD	3.5	2.8
MOTOR VEHICLES AND PARTS	3.5	3.0
PETROLEUM REFINING	3.4	2.4
INDUSTRIAL AND FARM EQUIPMENT	3.3	1.2
MINING, CRUDE-OIL PRODUCTION	3.3	3.8
TRANSPORTATION EQUIPMENT	3.1	1.7
THE 500 MEDIAN	4.6	4.1

RETURN ON ASSETS

	1987	1986
PHARMACEUTICALS	12.5%	12.2%
FURNITURE	8.7	9.9
PUBLISHING, PRINTING	8.5	8.7
RUBBER PRODUCTS	8.3	3.3
COMPUTERS (INCL. OFFICE EQUIP.)	8.3	6.4
METAL PRODUCTS	7.9	6.0
SCIENTIFIC & PHOTOGRAPHIC EQUIP.	7.8	5.1
BUILDING MATERIALS	7.4	4.1
TRANSPORTATION EQUIPMENT	7.4	3.2
TOBACCO	7.2	7.6
APPAREL	7.0	6.4
CHEMICALS	6.8	5.7
FOREST PRODUCTS	6.7	4.8
SOAPS, COSMETICS	6.7	6.9
ELECTRONICS	6.6	4.1
FOOD	6.5	6.4
TEXTILES	6.3	3.8
BEVERAGES	6.0	7.6
INDUSTRIAL AND FARM EQUIPMENT	5.4	1.9
METALS	5.3	3.0
MOTOR VEHICLES AND PARTS	5.1	4.3
AEROSPACE	5.0	5.7
PETROLEUM REFINING	3.1	2.0
MINING, CRUDE-OIL PRODUCTION	2.8	2.7
THE 500 MEDIAN	6.0	5.2

RETURN ON STOCKHOLDERS' EQUITY

	1987	1986
TRANSPORTATION EQUIPMENT	23.1%	5.2%
PHARMACEUTICALS	22.7	23.6
TOBACCO	20.0	22.1
PUBLISHING, PRINTING	18.9	18.7
SCIENTIFIC & PHOTOGRAPHIC EQUIP.	16.3	10.3
SOAPS, COSMETICS	16.2	16.7
FOOD	16.1	15.8
FURNITURE	15.2	18.9
FOREST PRODUCTS	14.7	11.8
COMPUTERS (INCL. OFFICE EQUIP.)	14.6	10.8
METAL PRODUCTS	14.3	13.3
CHEMICALS	14.2	11.8
APPAREL	14.1	12.2
ELECTRONICS	14.1	9.8
BEVERAGES	14.0	18.8
BUILDING MATERIALS	13.4	11.5
RUBBER PRODUCTS	13.1	10.8
TEXTILES	12.8	8.1
MOTOR VEHICLES AND PARTS	11.6	10.1
AEROSPACE	11.3	12.4
INDUSTRIAL AND FARM EQUIPMENT	11.2	3.7
METALS	11.1	5.1
PETROLEUM REFINING	10.2	5.8
MINING, CRUDE-OIL PRODUCTION	7.0	7.7
THE 500 MEDIAN	13.2	11.6

INDUSTRY MEDIANS

CHANGES IN SALES

INCREASES	
FOREST PRODUCTS	17.9%
TEXTILES	16.0
COMPUTERS (INCLUDES OFFICE EQUIPMENT)	15.5
RUBBER PRODUCTS	15.3
SOAPS, COSMETICS	14.3
MOTOR VEHICLES AND PARTS	14.2
INDUSTRIAL AND FARM EQUIPMENT	13.8
METAL PRODUCTS	12.6
FURNITURE	11.8
PHARMACEUTICALS	11.7
CHEMICALS	10.9
FOOD	10.5
PUBLISHING, PRINTING	10.5
TOBACCO	10.3
SCIENTIFIC AND PHOTOGRAPHIC EQUIPMENT	10.1
BEVERAGES	9.0
METALS	6.9
PETROLEUM REFINING	6.8
ELECTRONICS	6.7
BUILDING MATERIALS	5.1
AEROSPACE	4.9
MINING, CRUDE-OIL PRODUCTION	3.0
APPAREL	2.4
DECREASES	
TRANSPORTATION EQUIPMENT	6.2%

CHANGES IN PROFITS

INCREASES	
FOREST PRODUCTS	59.7%
METALS	53.6
RUBBER PRODUCTS	51.9
INDUSTRIAL AND FARM EQUIPMENT	42.4
METAL PRODUCTS	35.3
CHEMICALS	29.4
APPAREL	29.0
COMPUTERS (INCLUDES OFFICE EQUIPMENT)	26.9
TOBACCO	24.6
TEXTILES	24.3
SCIENTIFIC AND PHOTOGRAPHIC EQUIPMENT	21.9
MOTOR VEHICLES AND PARTS	20.6
FOOD	19.5
BUILDING MATERIALS	17.2
ELECTRONICS	17.1
PUBLISHING, PRINTING	15.6
PHARMACEUTICALS	15.1
MINING, CRUDE OIL PRODUCTION	14.2
SOAPS, COSMETICS	13.6
BEVERAGES	11.2
FURNITURE	8.0
AEROSPACE	3.9
PETROLEUM REFINING	0.1

TOTAL RETURN TO INVESTORS, 1987

METALS	50.5%
BUILDING MATERIALS	25.2
MINING, CRUDE-OIL PRODUCTION	24.5
TOBACCO	19.2
RUBBER PRODUCTS	15.7
METAL PRODUCTS	12.0
PHARMACEUTICALS	11.7
INDUSTRIAL AND FARM EQUIPMENT	10.0
FOREST PRODUCTS	9.1
PUBLISHING, PRINTING	8.7
CHEMICALS	8.5
PETROLEUM REFINING	6.8
COMPUTERS (INCLUDES OFFICE EQUIPMENT)	6.3
SOAPS, COSMETICS	6.0
FOOD	3.4
ELECTRONICS	2.0
SCIENTIFIC AND PHOTOGRAPHIC EQUIPMENT	0.5
BEVERAGES	0.2
TRANSPORTATION EQUIPMENT	−1.1
TEXTILES	−6.3
FURNITURE	−7.0
MOTOR VEHICLES AND PARTS	−7.7
APPAREL	−18.9
AEROSPACE	−24.5
THE 500 MEDIAN	6.8

INDUSTRY MEDIANS

TOTAL RETURN TO INVESTORS 1977-87 ANNUAL AVERAGE

TOBACCO	23.4%
PUBLISHING, PRINTING	22.8
RUBBER PRODUCTS	21.9
METAL PRODUCTS	21.3
APPAREL	21.2
FURNITURE	21.1
COMPUTERS (INCLUDES OFFICE EQUIPMENT)	20.9
FOOD	20.7
TEXTILES	19.6
BEVERAGES	18.9
PHARMACEUTICALS	18.6
TRANSPORTATION EQUIPMENT	18.3
FOREST PRODUCTS	17.8
BUILDING MATERIALS	17.1
AEROSPACE	16.8
CHEMICALS	16.4
ELECTRONICS	16.0
MOTOR VEHICLES AND PARTS	13.8
SCIENTIFIC AND PHOTOGRAPHIC EQUIPMENT	13.2
MINING, CRUDE-OIL PRODUCTION	12.2
SOAPS, COSMETICS	12.0
PETROLEUM REFINING	12.0
INDUSTRIAL AND FARM EQUIPMENT	10.2
METALS	10.0
THE 500 MEDIAN	17.2

SALES PER DOLLAR OF STOCKHOLDERS' EQUITY

TRANSPORTATION EQUIPMENT	$5.51
FOOD	5.32
AEROSPACE	4.21
SOAPS, COSMETICS	3.64
RUBBER PRODUCTS	3.48
MOTOR VEHICLES AND PARTS	3.48
TEXTILES	3.26
APPAREL	3.14
PETROLEUM REFINING	3.05
INDUSTRIAL AND FARM EQUIPMENT	2.98
METAL PRODUCTS	2.93
METALS	2.73
TOBACCO	2.63
FURNITURE	2.61
ELECTRONICS	2.46
CHEMICALS	2.41
FOREST PRODUCTS	2.22
COMPUTERS (INCLUDES OFFICE EQUIPMENT)	2.17
BUILDING MATERIALS	2.14
PUBLISHING, PRINTING	2.13
BEVERAGES	2.06
PHARMACEUTICALS	1.97
SCIENTIFIC AND PHOTOGRAPHIC EQUIPMENT	1.92
MINING, CRUDE-OIL PRODUCTION	1.86
THE 500 MEDIAN	2.77

SALES PER EMPLOYEE

PETROLEUM REFINING	$416,511
MINING, CRUDE-OIL PRODUCTION	252,622
SOAPS, COSMETICS	181,078
FOOD	178,259
CHEMICALS	173,113
BEVERAGES	160,612
METALS	157,107
TOBACCO	150,273
FOREST PRODUCTS	145,637
BUILDING MATERIALS	140,832
TRANSPORTATION EQUIPMENT	125,932
PHARMACEUTICALS	123,535
RUBBER PRODUCTS	107,195
METAL PRODUCTS	105,062
COMPUTERS (INCLUDES OFFICE EQUIP.)	105,004
PUBLISHING, PRINTING	103,331
MOTOR VEHICLES AND PARTS	101,946
AEROSPACE	98,891
INDUSTRIAL AND FARM EQUIPMENT	97,685
SCIENTIFIC AND PHOTOGRAPHIC EQUIP.	94,455
ELECTRONICS	85,115
FURNITURE	75,362
TEXTILES	71,296
APPAREL	52,234
THE 500 MEDIAN	124,392

INDUSTRY TOTALS RANKED BY SIX MEASURES

	SALES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		MARKET VALUE		EMPLOYEES	
	$ MIL	RANK	$ MIL	RANK	$ MIL	RANK	$ MIL	RANK	$ MIL	RANK	NUMBER	RANK
PETROLEUM REFINING	359,471	1	8,510	4	390,751	1	142,753	1	180,027	1	837,801	6
MOTOR VEHICLES AND PARTS	222,409	2	9,993	2	166,984	3	63,503	4	57,492	8	1,471,350	2
ELECTRONICS	195,603	3	10,855	1	182,215	2	78,544	2	158,517	2	2,046,017	1
FOOD	152,170	4	5,329	7	91,095	6	31,254	7	78,181	6	1,028,418	4
CHEMICALS	135,981	5	8,433	5	132,474	4	54,999	5	89,755	5	834,878	7
AEROSPACE	118,811	6	4,420	9	82,325	7	28,198	9	41,593	12	1,167,506	3
COMPUTERS (INCL. OFFICE EQUIP.)	111,573	7	9,059	3	116,788	5	67,265	3	138,163	3	948,894	5
FOREST PRODUCTS	80,580	8	4,978	8	77,917	8	35,726	6	57,948	7	525,363	8
PHARMACEUTICALS	62,956	9	6,153	6	64,414	9	30,370	8	132,926	4	499,178	10
INDUSTRIAL AND FARM EQUIPMENT	54,208	10	1,000	18	45,248	12	20,172	11	34,288	14	525,171	9
METALS	50,765	11	2,065	14	52,325	10	14,362	14	22,718	16	339,717	13
SCIENTIFIC AND PHOTOGRAPHIC EQUIP.	47,141	12	3,392	11	47,449	11	23,361	10	49,568	9	468,853	11
TOBACCO	47,139	13	3,761	10	44,841	13	16,554	12	41,816	11	293,905	15
SOAPS, COSMETICS	36,672	14	975	19	24,968	17	9,877	16	24,049	15	190,532	21
BEVERAGES	36,277	15	2,759	13	38,582	14	16,045	13	39,552	13	347,041	12
PUBLISHING, PRINTING	32,372	16	2,860	12	34,028	15	12,510	15	46,973	10	296,884	14
BUILDING MATERIALS	30,089	17	1,662	16	25,871	16	9,210	17	14,471	18	211,893	19
METAL PRODUCTS	26,231	18	1,248	17	21,264	18	7,648	18	20,122	17	240,053	17
RUBBER PRODUCTS	25,688	19	1,671	15	18,678	19	4,932	20	10,750	20	263,016	16
TEXTILES	16,657	20	458	21	12,557	21	4,109	21	5,948	23	226,009	18
MINING, CRUDE-OIL PRODUCTION	12,321	21	152	23	17,321	20	6,016	19	11,610	19	54,945	23
APPAREL	11,165	22	486	20	8,143	22	3,553	22	6,752	21	192,298	20
FURNITURE	6,159	23	403	22	5,302	23	2,846	23	6,370	22	80,557	22
TRANSPORTATION EQUIPMENT	3,502	24	58	24	1,369	25	539	25	921	25	21,800	25
TOYS, SPORTING GOODS	2,851	25	(170)	26	2,386	24	662	24	1,078	24	23,900	24
JEWELRY, SILVERWARE	638	26	45	25	361	26	113	26	688	26	7,969	26
TOTAL	1,879,506		90,556		1,705,657		685,119		1,272,278		13,143,948	

THE FORTUNE 500

COMPANY	SALES RANK
A	
ABBOTT LABORATORIES	97
ADVANCED MICRO DEVICES	328
AFFILIATED PUBLICATIONS	486
AFG INDUSTRIES	488
AG PROCESSING	400
AGWAY	132
AIR PRODUCTS & CHEMICALS	183
ALBERTO CULVER	472
ALLEGHENY INTERNATIONAL	250
ALLEGHENY LUDLUM	350
ALLIED PRODUCTS	482
ALLIED-SIGNAL	28
ALLIS-CHALMERS	394
ALUMINUM CO. OF AMERICA	51
AMAX	124
AMDAHL	231
AMERADA HESS	87
AMERICAN BRANDS	65
AMERICAN CYANAMID	106
AMERICAN GREETINGS	298
AMERICAN HOME PRODUCTS	82
AMERICAN MAIZE-PRODUCTS	475
AMERICAN PETROFINA	161
AMERICAN STANDARD	123
AMERICAN TEL. & TEL.	8
AMETEK	416
AM INTERNATIONAL	293
AMOCO	14
AMP	171
AMSTAR	248
AMSTED INDUSTRIES	359
ANCHOR GLASS CONTAINER	374
ANHEUSER-BUSCH	47
APOLLO COMPUTER	454
APPLE COMPUTER	152
ARCHER DANIELS MIDLAND	71
ARISTECH CHEMICAL	344
ARMCO	143
ARMSTRONG WORLD INDUSTRIES	169
ARMTEK	288
ARVIN INDUSTRIES	252
ASARCO	255
ASHLAND OIL	60
ATARI	484
ATLANTIC RICHFIELD	18
AVERY	426
AVERY INTERNATIONAL	237
AVON PRODUCTS	129
B	
BAIRNCO	412
BAKER HUGHES	197
BALL	311
BARD (C.R.)	408
BASF	99
BASSETT FURNITURE INDUSTRIES	494
BAUSCH & LOMB	355
BAXTER TRAVENOL LABORATORIES	66
BAYER USA	103
BEATRICE	42
BECTON DICKINSON	226
BELL & HOWELL	383
BEMIS	342
BETHLEHEM STEEL	89
BIG THREE INDUSTRIES	470
BLACK & DECKER	195
BOEING	20
BOISE CASCADE	113
BORDEN	64
BORG-WARNER	119
BOWATER	279
BP AMERICA	22
BRIGGS & STRATTON	369
BRISTOL-MYERS	76
BROCKWAY	306
BROWN-FORMAN	302
BRUNSWICK	140
BURLINGTON HOLDINGS	130
BUTLER MANUFACTURING	418
C	
CABOT	241
CALIFORNIA & HAWAIIAN SUGAR	435
CALMAT	424
CAMERON IRON WORKS	489
CAMPBELL SOUP	94
CARLISLE	460
CARPENTER TECHNOLOGY	490
CATERPILLAR	48
CENTRAL SOYA	229
CERTAINTEED	294
CF INDUSTRIES	363
CHAMPION INTERNATIONAL	90
CHAMPION SPARK PLUG	329
CHESAPEAKE	401
CHESEBROUGH-POND'S	304
CHEVRON	11
CHICAGO PACIFIC	244
CHRYSLER	10
CINCINNATI MILACRON	357
CLAIBORNE (LIZ)	312
CLARK EQUIPMENT	315
CLEVELAND-CLIFFS	496
CLOROX	296
COASTAL	57
COCA-COLA	54
COCA-COLA ENTERPRISES	126
COLECO INDUSTRIES	476
COLEMAN	428
COLGATE-PALMOLIVE	73
COLT INDUSTRIES	218
COMBUSTION ENGINEERING	128
COMMERCE CLEARING HOUSE	457
COMPAQ COMPUTER	282
COMPUTERVISION	446
CONAGRA	41
CONSOLIDATED PAPERS	382
CONTROL DATA	125
COOPER COS.	415
COOPER INDUSTRIES	118
COOPER TIRE & RUBBER	402
COORS (ADOLPH)	256
CORNING GLASS WORKS	186
CPC INTERNATIONAL	84
CRANE	270
CRAY RESEARCH	397
CROWN CENTRAL PETROLEUM	305
CROWN CORK & SEAL	213
CUMMINS ENGINE	148
CYCLOPS INDUSTRIES	303
CYPRUS MINERALS	367
D	
DANA	107
DANAHER	365
DATA GENERAL	271
DEAN FOODS	238
DEERE	108
DELUXE CHECK PRINTERS	339
DENNISON MANUFACTURING	391
DEXTER	370
DIGITAL EQUIPMENT	38
DIXIE YARNS	438
DONNELLEY (R.R.) & SONS	162
DOVER	225
DOW CHEMICAL	24
DOW CORNING	266
DOW JONES	264
DRESSER INDUSTRIES	138
DU PONT (E.I.) DE NEMOURS	9
DWG	286
E	
EAGLE-PICHER INDUSTRIES	399
EASTMAN KODAK	25
EATON	110
ECHLIN	299
ECOLAB	331
EG&G	277
EMERSON ELECTRIC	67
EMHART	164
ENGELHARD	163
ENVIRODYNE INDUSTRIES	493
ESSELTE BUSINESS SYSTEMS	276
E-SYSTEMS	281
ETHYL	212
EXXON	2
F	
FABERGE	467
FAIRCHILD INDUSTRIES	346
FARMERS UNION CENTRAL	295
FARMLAND INDUSTRIES	158
FEDERAL-MOGUL	309
FEDERAL PAPER BOARD	319
FERRO	349
FIELDCREST CANNON	247
FIGGIE INTERNATIONAL	320
FIRESTONE TIRE & RUBBER	112
FISHER SCIENTIFIC GROUP	345
FLEETWOOD ENTERPRISES	273
FLOWERS INDUSTRIES	366
FMC	137
FORD MOTOR	3
FORT HOWARD	210
FOSTER WHEELER	284
FOXBORO	477
FREEPORT-MCMORAN	230
FRUEHAUF	147
FRUIT OF THE LOOM	325
FULLER (H.B.)	431
FUQUA INDUSTRIES	373
G	
GAF	356
GANNETT	141
GENCORP	139
GENERAL CINEMA	313
GENERAL DYNAMICS	39
GENERAL ELECTRIC	6
GENERAL INSTRUMENT	340
GENERAL MILLS	77
GENERAL MOTORS	1
GENERAL SIGNAL	222
GEORGIA GULF	392
GEORGIA KRAFT	474
GEORGIA-PACIFIC	44
GERBER PRODUCTS	317
GILLETTE	135
GOLD KIST	232
GOODRICH (B.F.)	180
GOODYEAR TIRE & RUBBER	35
GOULD	278
GRACE (W.R.)	81
GREAT LAKES CHEMICAL	481
GREAT NORTHERN NEKOOSA	157
GROW GROUP	480
GRUMMAN	127
GUILFORD MILLS	461
H	
HANDY & HARMAN	422
HANNA (M.A.)	500
HANSON INDUSTRIES N.A.	115
HARCOURT BRACE JOVANOVICH	268
HARLEY-DAVIDSON	398
HARNISCHFEGER INDUSTRIES	314
HARRIS	187
HARSCO	291
HARTE-HANKS COMMUNICATIONS	452
HARTMARX	307
HARVARD INDUSTRIES	449
HASBRO	262
HEINZ (H.J.)	88
HENLEY MANUFACTURING	423
HERCULES	150
HERSHEY FOODS	165
HEWLETT-PACKARD	49
HILLENBRAND INDUSTRIES	384
HIMONT	292
HOECHST CELANESE	91
HOLLY FARMS	246
HOMESTAKE MINING	471
HONEYWELL	63
HON INDUSTRIES	453
HORMEL (GEO. A.)	172
HOUSEHOLD MANUFACTURING	321
HUBBELL	437
I	
IC INDUSTRIES	92
ILLINOIS TOOL WORKS	214
INGERSOLL-RAND	153
INLAND STEEL INDUSTRIES	122
INSILCO	387
INSPIRATION RESOURCES	275
INTEL	200
INTERCO	155
INTERGRAPH	409
INTERLAKE	358
INT'L BUSINESS MACHINES	4
INTERNATIONAL CONTROLS	377
INT'L FLAVORS & FRAGRANCES	381
INT'L MINERALS & CHEMICAL	219
INTERNATIONAL MULTIFOODS	228
INTERNATIONAL PAPER	52
INTERSTATE BAKERIES	380
ITT	45
J	

ALPHABETICAL INDEX

JAMES RIVER CORP. OF VIRGINIA 95
JEFFERSON SMURFIT 301
JEPSON 464
JOHNSON CONTROLS 151
JOHNSON & JOHNSON 50
JOSTENS 410
JOY TECHNOLOGIES 403
K
KAISERTECH 176
KAMAN 393
KELLOGG 114
KELLWOOD 441
KERR-MCGEE 156
KIMBALL INTERNATIONAL 492
KIMBERLY-CLARK 85
KNIGHT-RIDDER 188
KNOLL INT'L HOLDINGS 191
KOPPERS 224
KRAFT 31
L
LAFARGE 283
LAND O'LAKES 179
LEGGETT & PLATT 406
LESLIE FAY 436
LEVER BROTHERS 145
LILLY (ELI) 111
LIPTON (THOMAS J.) 243
LIQUID AIR 444
LITTON INDUSTRIES 96
LOCKHEED 30
LONE STAR INDUSTRIES 376
LONGVIEW FIBRE 443
LORAL 396
LOUISIANA LAND & EXPLORATION 361
LOUISIANA-PACIFIC 198
LTV 56
LUBRIZOL 324
LUKENS 478
M
MACK TRUCKS 205
MACMILLAN 336
M/A-COM 459
MAGNETEK 419
MANVILLE 190
MAPCO 227
MARION LABORATORIES 430
MARTIN MARIETTA 79
MASCO 193
MASCO INDUSTRIES 236
MATTEL 322
MAXUS ENERGY 285
MAYTAG 199
MCCORMICK 308
MCDONNELL DOUGLAS 26
MCGRAW-HILL 211
MEAD 102
MEDIA GENERAL 388
MEDTRONIC 479
MERCK 80
MEREDITH 427
MID-AMERICA DAIRYMEN 233
MILLER (HERMAN) 439
MILLIPORE 465
MINNESOTA MINING & MFG. 37
MINSTAR 348
MITCHELL ENERGY 434
MOBIL 5
MOHASCO 364
MONSANTO 55
MORTON THIOKOL 194
MOTOROLA 62
MURPHY OIL 235
N
NALCO CHEMICAL 354
NATIONAL COOP. REFINERY 448
NATIONAL GYPSUM 251
NATIONAL SEMICONDUCTOR 204
NATIONAL SERVICE INDUSTRIES 261
NATIONAL STARCH & CHEMICAL 287
NAVISTAR INTERNATIONAL 120
NCR 74
NERCO 411
NEW YORK TIMES 215
NEWELL 386
NEWMONT MINING 450
NL INDUSTRIES 253
NORTEK 267
NORTH AMERICAN PHILIPS 86
NORTHROP 69
NORTON 272
NOXELL 487
NUCOR 352
O
OCCIDENTAL PETROLEUM 16
OCEAN SPRAY CRANBERRIES 385
OHIO MATTRESS 429
OLIN 196
OUTBOARD MARINE 269
OWENS-CORNING FIBERGLAS 144
OWENS-ILLINOIS 116
OXFORD INDUSTRIES 455
P
PACCAR 166
PACIFIC RESOURCES 338
PARKER HANNIFIN 203
PENN CENTRAL 242
PENNWALT 289
PENNZOIL 206
PENTAIR 368
PEPSICO 29
PERKIN ELMER 259
PFIZER 83
PHELPS DODGE 221
PHILIP MORRIS 12
PHILIPS INDUSTRIES 432
PHILLIPS PETROLEUM 32
PHILLIPS-VAN HEUSEN 473
PILLSBURY 68
PITNEY BOWES 175
PITTWAY 407
POLAROID 208
POTLATCH 330
PPG INDUSTRIES 78
PREMARK INTERNATIONAL 178
PRIME COMPUTER 334
PROCTER & GAMBLE 17
PULLMAN 413
Q
QUAKER OATS 93
QUAKER STATE 353
QUANTUM CHEMICAL 154
R
RALSTON PURINA 70
RAYCHEM 341
RAYTHEON 53
RELIANCE ELECTRIC 245
REVLON GROUP 167
REYNOLDS METALS 101
REYNOLDS & REYNOLDS 447
RICELAND FOODS 466
RJR NABISCO 19
ROBERTSON (H.H.) 451
ROBINS (A.H.) 351
ROCKWELL INTERNATIONAL 27
ROHM & HAAS 177
ROHR INDUSTRIES 404
ROPER 389
RORER GROUP 343
RUBBERMAID 323
RUSSELL 491
S
SARA LEE 40
SAVANNAH FOODS & INDUSTRIES 347
SCHERING-PLOUGH 149
SCHULMAN (A.) 498
SCIENTIFIC-ATLANTA 483
SCI SYSTEMS 456
SCOTT PAPER 109
SEAGATE TECHNOLOGY 335
SEAGRAM (JOSEPH E.) & SONS 192
SEALED POWER 372
SEQUA 257
SHAKLEE 442
SHAW INDUSTRIES 395
SHELL OIL 13
SHERWIN-WILLIAMS 185
SINGER 202
SMITH (A.O.) 327
SMITHFIELD FOODS 316
SMITHKLINE BECKMAN 100
SNAP-ON TOOLS 378
SONOCO PRODUCTS 265
SPRAGUE TECHNOLOGIES 495
SPRINGS INDUSTRIES 217
SQUARE D 234
SQUIBB 182
STANADYNE 458
STANDARD PRODUCTS 497
STANDARD REGISTER 405
STANLEY WORKS 209
STERLING DRUG 174
STEVENS (J.P.) 220
STONE CONTAINER 133
STORAGE TECHNOLOGY 379
SUN 43
SUN-DIAMOND GROWERS 468
SUNDSTRAND 254
SUN MICROSYSTEMS 463
SWIFT INDEPENDENT 117
T
TAMBRANDS 462
TANDEM COMPUTERS 318
TECUMSEH PRODUCTS 337
TEKTRONIX 249
TELEDYNE 134
TELEX 360
TEMPLE-INLAND 223
TENNECO 21
TEXACO 7
TEXAS INDUSTRIES 433
TEXAS INSTRUMENTS 75
TEXTRON 72
THORN APPLE VALLEY 425
TIME INC. 104
TIMES MIRROR 136
TIMKEN 280
TORO 469
TOSCO 290
TRIANGLE INDUSTRIES 98
TRIBUNE 181
TRINITY INDUSTRIES 485
TRINOVA 216
TRW 61
TYCO LABORATORIES 297
TYLER 300
TYSON FOODS 207
U
UNION CAMP 173
UNION CARBIDE 59
UNION TEXAS PETROLEUM 274
UNISYS 36
UNITED BRANDS 131
UNITED MERCHANTS & MFRS. 375
UNITED TECHNOLOGIES 15
UNIVERSAL 184
UNIVERSAL FOODS 390
UNOCAL 46
UPJOHN 160
USG 142
UST 445
USX 23
V
VALERO ENERGY 414
VARIAN ASSOCIATES 332
VF 159
VISTA CHEMICAL 421
VULCAN MATERIALS 310
W
WALTER (JIM) 168
WANG LABORATORIES 146
WARNACO GROUP 420
WARNER-LAMBERT 121
WASHINGTON POST 263
WEIRTON STEEL 260
WESTERN DIGITAL 499
WESTINGHOUSE ELECTRIC 33
WESTMORELAND COAL 417
WEST POINT-PEPPERELL 189
WESTVACO 201
WEYERHAEUSER 58
WHEELING-PITTSBURGH STEEL 326
WHIRLPOOL 105
WILLAMETTE INDUSTRIES 239
WILSON FOODS 258
WITCO 240
WORTHINGTON INDUSTRIES 362
WRIGLEY (WM. JR.) 371
X
XEROX 34
XIDEX 440
Y
YORK INTERNATIONAL 333
Z
ZENITH ELECTRONICS 170